

ADT Group PLC
(Registered Number: 2476211)

Annual Report

For the Year Ended 30 September 1999



ADT Group PLC

Annual Report

For the Year Ended 30 September 1999

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ADT Group PLC

Directors and advisers

Directors

T W Godfray
J Radford

Secretary and registered office

T W Godfray
19/21 Denmark Street
Wokingham
Berkshire
RG40 2QE

Registered auditors

PricewaterhouseCoopers
1 Embankment Place
London
WC2N 6NN

ADT Group PLC

Directors Report For the Year Ended 30 September 1999

The directors present their report and the audited financial statements for the year ended 30 September 1999.

Principal activities

The principal activity of the company is that of an investment holding company.

Review of business

The retained loss for the year amounted to £32,283,748 (1998 - £55,408,383 loss).

The directors do not recommend the payment of a dividend.

Directors

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

T W Godfray

J Radford

C R Tankard (appointed 26 October 1998, deceased 29 January 2000)

Directors' interests in the shares of the company

The directors do not have any interests in the share capital of the company.

Under Statutory Instrument No. 802 made under the authority of Section 324 (3) of the Companies Act 1985, the directors' interests in the share capital of the ultimate parent undertaking need not be disclosed.

Fixed assets

Movements in fixed assets are analysed in notes 8 and 9 to the financial statements.

Year 2000

As the company does not itself undertake any trading activities, it is not directly exposed to potential commercial disruption caused by the Year 2000 issue. The company may however be adversely affected by the inability of third parties to manage the Year 2000 issue and the directors of the company have taken appropriate actions to minimise this risk where it has been assessed as significant. The company has not incurred any additional costs in respect of the Year 2000 issue. The company has noted no impact of the Year 2000 issue since 31 December 1999.

ADT Group PLC

Directors Report

For the Year Ended 30 September 1999 (Continued)

Creditor payment policy

The company's current policy concerning the payment of the majority of its trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU). For other suppliers, the company's policy is to: (a) settle the terms of payment with those suppliers when agreeing the terms of each transaction; (b) ensure that those suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and (c) pay in accordance with its contractual and other legal obligations. The payment policy applies to all payments to creditors for revenue and capital supplies of goods and services without exception.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The company has received written confirmation from Tyco International Ltd. and certain of its subsidiary undertakings that it is their intention to provide, for the foreseeable future, such financial support as is required for the company to continue to fulfil all its obligations and other commitments as they fall due. On this basis, the directors are satisfied that it is appropriate for the financial statements to be prepared on a going concern basis at this time.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ADT Group PLC

Directors Report

For the Year Ended 30 September 1999 (Continued)

Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting.

By order of the board

A handwritten signature in dark ink, appearing to read 'T W Godfray', is written over the printed name and title.

T W Godfray
Secretary

26/4/ 2000

Auditors' report to the members of ADT Group Plc

We have audited the financial statements on pages 6 to 14 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, including, as described on page 4, the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

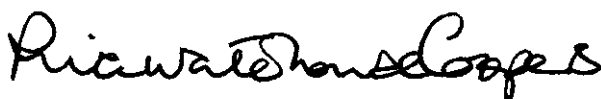
Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 September 1999 of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and
Registered Auditors
London

28 April

2000

ADT Group PLC

Profit and Loss Account For the Year Ended 30 September 1999

	Notes	Year ended 30 September 1999 £'000	Year Ended 30 September 1998 £'000
Administrative expenses	2	(126)	(273)
Foreign exchange gain/ (loss)		3,583	(7,228)
Operating profit/ (loss)		3,457	(7,509)
Forgiveness of intercompany loan	4	8,700	0
Interest receivable and similar income	4	11,483	12,440
Interest payable and similar charges	5	(55,924)	(60,348)
(Loss) on ordinary activities before taxation	6	(32,284)	(55,408)
Taxation	7	-	-
Deficit for the period transferred from reserves	14	(32,284)	(55,408)

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss profit on ordinary activities before taxation and the retained loss profit for the period stated above, and their historical cost equivalents.

All transactions in both periods relate to continuing operations.

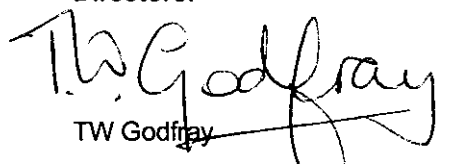

ADT Group PLC

Balance Sheet at 30 September 1999

	Notes	1999 £'000	1998 £'000
Fixed assets			
Tangible assets	8	514	530
Investments	9	123,290	123,290
		123,804	123,820
Current assets			
Debtors: amounts falling due within one year	10	267,042	266,973
Cash at bank and in hand		238	597
		267,280	267,570
Creditors: amounts falling due within one year	11	(641,093)	(604,002)
Net current (liabilities)		(373,813)	(336,432)
Total assets less current liabilities		(250,009)	(212,612)
Creditors: amounts falling due after more than one year	12	(15,441)	(20,554)
		(265,450)	(233,166)
Capital and reserves			
Called-up share capital	13	245,000	245,000
Profit and loss account	14	(510,450)	(478,166)
Equity shareholders' funds		(265,450)	(233,166)

The financial statements on pages 6 to 14 were approved by the board of directors on 26 April 2000 and were signed on its behalf by:

Directors:


 TW Godfrey

 J Radford

ADT Group PLC

Notes to the Financial Statements For the Year Ended 30 September 1999

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom for the year to 30 September 1999. Comparative data is for the year ended 30 September 1998. A summary of the more important accounting policies of the company is set out below.

Basis of accounting

The financial statements have been prepared on the historical cost basis of accounting and on the basis of continuing financial support from group undertakings. Tyco International Ltd. and certain of its subsidiary undertakings have confirmed their intention to provide, for the foreseeable future, such financial support as is required for the company to continue to fulfil all its obligations and other commitments as they fall due.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided on a straight line basis, so as to write off the cost of the assets over their useful economic lives at the following annual rates:

Freehold buildings	2% to 4%
Fixtures, fittings and office equipment	15% to 20%

Investments

Fixed asset investments are stated at cost less any provision required for any permanent diminution in value.

Group financial statements

The company has not prepared consolidated financial statements as it is a wholly owned subsidiary undertaking of a company registered in England and Wales (Tyco Holdings (UK) Ltd – see note 17) which itself prepares consolidated financial statements. The exemption in Section 228 (2) of the Companies Act 1985 thus applies.

Foreign currency translation

Foreign currency assets and liabilities are translated into pounds sterling at the rates of exchange ruling at the balance sheet date. All profits and losses on exchange are dealt with in the profit and loss account.

ADT Group PLC

Notes to the Financial Statements For the Year Ended 30 September 1999

1 Principal accounting policies (Continued)

Cash flow statements and related party transactions

A cash flow statement, as required by Financial Reporting Standard No.1 ("FRS1"), has not been prepared as the company is an indirect wholly owned subsidiary undertaking, and the consolidated financial statements of the group include a cash flow statement in the form prescribed by FRS1. The company is also exempt under the terms of Financial Reporting Standard No.8 from disclosing related party transactions with entities that are part of the Tyco Holdings (UK) Ltd group.

2 Operating expenses

	Year ended 30 September 1999 £'000	Year ended 30 September 1998 £'000
Corporate reorganisation and other related costs	27	129
Other operating expenses	48	144
	<hr/> 75	<hr/> 273

3 Employee information and directors' emoluments

The company had no employees in either the year ended 30 September 1999 or the year ended 30 September 1998.

No emoluments were paid to the directors for services to the company during either the year ended 30 September 1999 or the year ended 30 September 1998.

During 1999, ADT Group PLC paid £239,000 (1998 - £234,000) to a company controlled by Mr T W Godfray in respect of corporate services provided by that company.

ADT Group PLC

Notes to the Financial Statements For the Year Ended 30 September 1999

4 Interest receivable and similar income

	Year ended 30 September 1999 £'000	Year ended 30 September 1998 £'000
From subsidiary undertakings	11,463	12,428
From external sources	20	12
	11,483	12,440

In addition to interest earned from subsidiary undertakings, a loan of £8,700,000 to a subsidiary company was forgiven during the year.

5 Interest payable and similar charges

	Year ended 30 September 1999 £'000	Year ended 30 September 1998 £'000
To subsidiary undertakings	55,924	60,348
	55,924	60,348

6 Profit/(loss) on ordinary activities before taxation

	Year ended 30 September 1999 £'000	Year ended 30 September 1998 £'000
Loss on ordinary activities before taxation is stated after charging:		
Reorganisation costs	27	129
Depreciation on tangible fixed assets	16	18
Auditors' remuneration	-	20

7 Taxation

	Year ended 30 September 1999 £'000	Year ended 30 September 1998 £'000
Charge to profit and loss account in the period	-	-

The taxation credit in 1999 has been reduced as group relief is ceded free of charge.

ADT Group PLC

Notes to the Financial Statements For the Year Ended 30 September 1999

8 Tangible fixed assets

	Freehold land and buildings £'000	Fixtures, Fittings And office equipment £'000	Total £'000
Cost			
At 1 October 1998	780	3	783
Additions	-	-	-
Disposals	-	-	-
At 30 September 1999	780	3	783
Depreciation			
At 1 October 1998	250	3	253
Charge for the period	16	-	16
Disposals	-	-	-
At 30 September 1999	266	3	269
Net book values			
At 30 September 1999	514	-	514
At 30 September 1998	530	-	530

9 Fixed asset investments

	Interest in group undertakings £'000
Cost	
At 30 September 1998 and 30 September 1999	393,327
Amounts provided	
At 30 September 1998 and 30 September 1999	270,290
Net book values	
At 30 September 1998 and 30 September 1999	123,290

ADT Group PLC

Notes to the Financial Statements For the Year Ended 30 September 1999

9 Fixed asset investments (Continued)

Interest in principal group undertakings

Name of undertaking	Country of Incorporation or Registration	Description of Holding	Proportion of Nominal value of issue shares held
ADT (UK) Limited	England and Wales	Ordinary shares of £1 each	100%
ADT UK Investments Limited	England and Wales	Ordinary shares of £1 each	75%
Britannia Security Group Limited	England and Wales	Ordinary shares of £1 each	100%

10 Debtors

	1999 £'000	1998 £'000
Amounts falling due within one year		
Amounts owed by fellow subsidiary undertakings	44	44
Amounts owed by subsidiary undertakings	266,811	266,823
Other debtors	187	106
	267,042	266,973

11 Creditors: amounts falling due within one year

	1999 £'000	1998 £'000
Amounts owed to subsidiary undertakings	639,579	602,194
Other creditors	100	121
Accruals and deferred income	98	68
Reorganisation and other provisions	1,316	1,619
	641,093	604,002

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Notes to the Financial Statements For the Year Ended 30 September 1999

12 Creditors: amounts falling due after more than one year

	1999 £'000	1998 £'000
Amounts owed to parent undertaking	12,342	16,823
Reorganisation and other provisions	3,099	3,731
	15,441	20,554

13 Called-up share capital

	1999 £'000	1998 £'000
Authorised, allotted, called-up and fully paid 245,000,000 ordinary shares of £1 each	245,000	245,000

14 Profit and loss account

	£'000
At 1 October 1998	(478,166)
Deficit for the period	(32,284)
At 30 September 1999	(510,450)

15 Reconciliation of movements in shareholders' funds

	1999 £'000	1998 £'000
Opening shareholders' funds	(233,166)	(177,758)
Deficit for the period	(32,284)	(55,408)
Closing shareholders' funds	(265,450)	(233,166)

ADT Group PLC

Notes to the Financial Statements For the Year Ended 30 September 1999

16 Contingent liabilities

At 30 September 1999 and 30 September 1998 the company had given guarantees and indemnities in the ordinary course of business in respect of certain group undertakings and has confirmed its intention to provide, for the foreseeable future, such financial support as is required for certain group undertakings to continue to fulfil all their obligations and other commitments as they fall due.

In January 1998 the company became a guarantor on behalf of ADT Finance plc, a subsidiary undertaking, for a borrowing facility of up to £27 million through a third party banking facility. In March 1998 this borrowing facility was increased to £90 million.

17 Ultimate and intermediate parent undertakings

The company's ultimate parent undertaking is Tyco International Ltd. (formerly named ADT Limited) (a company incorporated in Bermuda). Copies of the consolidated financial statements are available at its registered office: The Zurich Centre, 2nd Floor, 90 Pitts Bay Road, Pembroke HM08, Bermuda.

The undertaking that prepares consolidated financial statements for the smallest group of which the company is a part is Tyco Holdings (UK) Limited (a company registered in England and Wales).

Copies of the consolidated financial statements are available at its registered office: Tower 42, The International Financial Centre, 27th Floor, 25 Old Broad Street, London EC2N 1HQ.