

ADT Group PLC
(Registered Number: 2476211)

Annual Report

For the Year Ended 30 September 2000



ADT Group PLC

Annual Report for the Year Ended 30 September 2000

	Pages
Directors and Advisers	1
Directors' Report	2 - 3
Auditors' Report	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	8 -12

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 6RH

ADT Group PLC

Directors Report for the Year Ended 30 September 2000

The directors present their report and the audited financial statements for the year ended 30 September 2000.

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 £19,067,000 (1999 - £32,284,000 loss).

The directors do not recommend the payment of a dividend (1999:£nil).

Directors

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

T W Godfray
J Radford
CR Tankard (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.

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.

ADT Group PLC

Directors Report for the Year Ended 30 September 2000 (Continued)

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 ended. 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.

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


T W Godfray
Secretary

23 April 2001

Auditors' Report to the Members of ADT Group Plc

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom 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 United Kingdom 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.

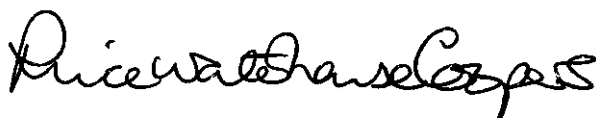
Basis of audit opinion

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 the company's affairs as at 30 September 2000 and 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
24 April 2001

ADT Group PLC

Profit and Loss Account for the Year Ended 30 September 2000

	Notes	2000 £'000	1999 £'000
Administrative expenses	2	(173)	(126)
Other operating income		63	-
Foreign exchange gain		21,481	3,583
Operating profit		21,371	3,457
Release of restructuring provision		2,785	-
Forgiveness of intercompany loan	4	-	8,700
Profit before interest		24,156	12,157
Interest receivable and similar income	4	14,827	11,483
Interest payable and similar charges	5	(58,050)	(55,924)
Loss on ordinary activities before taxation	6	(19,067)	(32,284)
Taxation	7	-	-
Deficit for the period transferred from reserves	14	(19,067)	(32,284)

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.

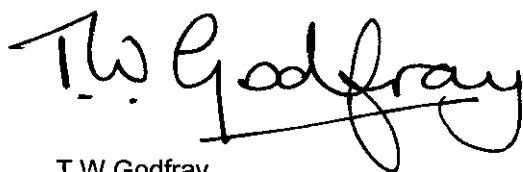
All transactions in both periods relate to continuing operations.

ADT Group PLC

Balance Sheet as at 30 September 2000

	Notes	2000 £'000	1999 £'000
Fixed assets			
Tangible assets	8	498	514
Investments	9	123,290	123,290
		123,788	123,804
Current assets			
Debtors: amounts falling due within one year	10	267,219	267,042
Cash at bank and in hand		160	238
		267,379	267,280
Creditors: amounts falling due within one year	11	(661,864)	(641,093)
Net current liabilities		(394,485)	(373,813)
Total assets less current liabilities		(270,697)	(250,009)
Creditors: amounts falling due after more than one year	12	(13,820)	(15,441)
Net liabilities		(284,517)	(265,450)
Capital and reserves			
Called-up share capital	13	245,000	245,000
Profit and loss account	14	(529,517)	(510,450)
Equity shareholders' deficit	15	(284,517)	(265,450)

The financial statements on pages 5 to 12 were approved by the board of directors on 23 April 2001 and were signed on its behalf by:



T W Godfray
Director



J Radford
Director

ADT Group PLC

Notes to the Financial Statements for the Year Ended 30 September 2000

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 2000. Comparative data is for the year ended 30 September 1999. 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, cash flow statement and related party transactions

The company is a wholly owned subsidiary of a company registered in England and Wales, Tyco Holdings (UK) Ltd (see note 17) and as such is not required to produce consolidated financial statements under Section 228 of the Companies Act 1985. For the same reasons, the company is also exempt under the terms of Financial Reporting Standard No 1 (revised 1996) from publishing a cash flow statement.

The company is also a wholly owned subsidiary of Tyco International Ltd. (see note 17) and is exempt under the terms of Financial Reporting Standard No. 8 from disclosing related party transaction with entities that are part of the Tyco International Ltd. group or investees of the Tyco International Ltd. group.

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 2000

2 Operating expenses

	2000 £'000	1999 £'000
Corporate reorganisation and other related costs	-	27
Other operating expenses	173	99
	173	126

Auditors' remuneration is borne by a fellow group company.

3 Directors' emoluments and staff costs

The directors' are remunerated by a fellow subsidiary company in respect of services provided to a number of group companies as directors. It is not possible to separately identify the emoluments attributable to services provided to each Company. Accordingly, the financial statements include no emoluments in respect of any directors. The company had no employees in the year (year ended 30 September 1999: none).

During 2000, ADT Group PLC paid £nil (1999 - £239,000) to a company controlled by Mr T W Godfray in respect of corporate services provided by that company.

4 Interest receivable and similar income

	2000 £'000	1999 £'000
From subsidiary undertakings	14,788	11,463
From external sources	39	20
	14,827	11,483

In addition to the interest earned from subsidiary undertakings for the year ended 30 September 1999, a loan of £8,700,000 was forgiven by Tyco Holdings (UK) Limited.

5 Interest payable and similar charges

	2000 £'000	1999 £'000
To subsidiary undertakings	58,050	55,924

ADT Group PLC

Notes to the Financial Statements for the Year Ended 30 September 2000

6 Loss on ordinary activities before taxation

	2000 £'000	1999 £'000
Loss on ordinary activities before taxation is stated after charging:		
Reorganisation costs	-	27
Depreciation on tangible fixed assets	16	16
Auditors' remuneration	69	-

7 Taxation

There is no tax credit as losses as adjusted for tax purposes have been surrendered to group relief for nil consideration.

8 Tangible fixed assets

	Freehold land and buildings £'000	Fixtures, fittings and office equipment £'000	Total £'000
Cost			
At 1 October 1999/30 September 2000	780	3	783
Depreciation			
At 1 October 1999	266	3	269
Charge for the year	16	-	16
Disposals			
At 30 September 2000	282	3	285
Net book values			
At 30 September 2000	498	-	498
At 30 September 1999	514	-	514

ADT Group PLC

Notes to the Financial Statements for the Year Ended 30 September 2000

9 Fixed asset investments

	Interest in group undertakings £'000
Cost	
At 30 September 1999 and 30 September 2000	123,410
Amounts provided	
At 30 September 1999 and 30 September 2000	(120)
Net book values	
At 30 September 1999 and 30 September 2000	123,290

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

	2000 £'000	1999 £'000
Amounts falling due within one year		
Amounts owed by fellow subsidiary undertakings	44	44
Amounts owed by subsidiary undertakings	267,034	266,811
Other debtors	141	187
	267,219	267,042

ADT Group PLC

Notes to the Financial Statements for the Year Ended 30 September 2000

11 Creditors: amounts falling due within one year

	2000 £'000	1999 £'000
Amounts owed to subsidiary undertakings	661,453	639,579
Other creditors	98	100
Accruals and deferred income	98	98
Reorganisation and other provisions	215	1,316
	661,864	641,093

12 Creditors: amounts falling due after more than one year

	2000 £'000	1999 £'000
Amounts owed to parent undertaking	12,457	12,342
Reorganisation and other provisions	1,363	3,099
	13,820	15,441

13 Called-up share capital

	2000 £'000	1999 £'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 1999	(510,450)
Deficit for the period	(19,067)
At 30 September 2000	(529,517)

ADT Group PLC

Notes to the Financial Statements for the Year Ended 30 September 2000

15 Reconciliation of movements in shareholders' funds

	2000 £'000	1999 £'000
Retained loss for the period	(19,067)	(32,284)
Net decrease in shareholders' funds	(19,067)	(32,284)
Opening shareholders' deficit	(265,450)	(233,166)
Closing shareholders' deficit	(284,517)	(265,450)

16 Contingent liabilities

At 30 September 2000 and 30 September 1999 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 1999 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 1999 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 their 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.