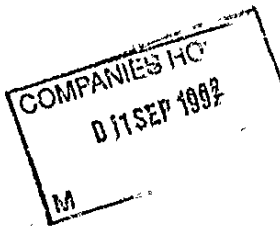


C T S COURIER LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

for the period ended
3 November 1991

Company number 2477582



DIRECTORS' REPORT for the period ended 3 November 1991

FINANCIAL STATEMENTS

The directors present their report and financial statements for the period ended 3 November 1991.

PRINCIPAL ACTIVITY

The principal activity of the company is that of same day courier services.

The company changed its name to CTS Courier Limited on 11 June 1991.

TRADING RESULTS AND DIVIDENDS

The loss on ordinary activities before taxation for the period amounted to £4,837 (1990:£96,977).

The directors do not recommend payment of a dividend for the period (1990:£52,322).

On 12 August 1991 the company ceased to trade as a separate statutory entity and the net assets, trade and activities were transferred to A to Z Couriers Limited.

DIRECTORS

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

R K Shirley	
P J Dunkley	(resigned 14 June 1991)
J P Dally	(resigned 13 June 1991)
A Dally	(resigned 13 June 1991)
N J Georgevic	(resigned 1 June 1991)
P J Dyke	(appointed 24 May 1991 resigned 13 March 1992)
M J Godfrey	(appointed 20 March 1992)

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

The interests of the directors in the shares of the holding company are as follows:

	3 November 1991			4 November 1990 or at date of appointment		
	Ordinary shares	Option schemes Employee	Executive	Ordinary shares	Option schemes Employee	Executive
R K Shirley	-	10,000	40,000	6,000	20,000	40,000
P J Dyke	-	12,500	7,500	-	12,500	4,000

The Employee options were granted under the Securiguard Group Employee Share Option Scheme and are ordinarily exercisable between 1993 and 2000.

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

DIRECTORS' REPORT
for the 52 weeks ended 3 November 1991 (continued)

TANGIBLE FIXED ASSETS

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

EMPLOYMENT POLICY

The company places emphasis of employee involvement and the parent company has established a Group Employ Share Option Scheme. The group considers that employ share ownership should continue to be an important feature of employee participation. Regular meetings and consultants 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

In accordance with Section 384 of the Companies Act 1985, a resolution proposing that BDO Binder Hamlyn be re-appointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 24th March 1992


Secretary

Shakespeare House
168 Lavender Hill
London
SW11 5TG

AUDITORS' REPORT
to the members of C T S Courier Limited

We have audited the financial statements on pages 4 to 10 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 3 November 1991 and of its loss and source and application of funds for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Binder Hamlyn

Chartered Accountants
Registered Auditors

28 August 1992

C T S COURIER LIMITED**PROFIT AND LOSS ACCOUNT**
for the period ended 3 November 1991

	Notes	1991 £	1990 £
Turnover	2	1,780,744	1,291,988
Cost of sales		(928,954)	(672,050)
Gross profit		851,790	619,938
Administrative expenses		(816,752)	(493,476)
Operating profit		35,038	126,462
Interest payable and similar charges	2	(30,201)	(29,485)
Profit on ordinary activities before taxation	2	4,837	96,977
Taxation on profit on ordinary activities	4	(21,848)	(14,655)
(Loss)/Profit on ordinary activities after taxation		(17,011)	52,322
Dividends	5	-	(52,322)
Loss for the year	12	£(17,011)	£-

BALANCE SHEET
as at 3 November 1991

	Notes	1991 £	1990 £
FIXED ASSETS			
Tangible assets	6	-	444,638
CURRENT ASSETS			
Debtors	7	295,987	882,618
CREDITORS: amounts falling due within one year	8	-	(975,322)
Net Current Assets/(Liabilities)		295,987	(92,704)
Total Assets less Current Liabilities		295,987	351,934
CREDITORS: amounts falling due after more than one year	9	-	(38,936)
Net Assets		<u>£295,987</u>	<u>£312,998</u>
CAPITAL AND RESERVES			
Called up share capital	10	250,100	250,100
Share premium account	11	120,000	120,000
Other reserves	11	(57,102)	(57,102)
Profit and loss account	11	(17,011)	-
		<u>£295,987</u>	<u>£312,998</u>

The financial statements on pages 4 to 10 were approved by the Board on 24th March 1992


Director

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
for the period ended 3 November 1991

	1991 £	1990 £
SOURCE OF FUNDS		
Profit before taxation	4,837	96,977
Adjustment for item not involving the movement of funds:		
Depreciation	125,054	71,809
Funds generated from operations	129,891	168,786
Funds from other sources		
Disposal of fixed assets	411,706	-
Issue of share capital	-	1,000,000
Decrease in working capital	127,692	-
	<u>669,289</u>	<u>1,169,786</u>
APPLICATION OF FUNDS		
Dividend paid	(52,322)	-
Purchase of fixed assets	(92,122)	(516,447)
Purchase of goodwill	-	(687,102)
Increase in working capital	-	(423,579)
Tax transferred to other group company	(66,503)	-
	<u>(211,947)</u>	<u>(1,627,128)</u>
INCREASE/(DECREASE) IN NET LIQUID FUNDS	<u>£458,342</u>	<u>£(458,342)</u>
MOVEMENT IN WORKING CAPITAL		
Decrease/(increase) in debtors	586,631	18)
(Decrease)/increase in creditors	(383,167)	383,167
(Decrease)/increase in hire purchase creditors	(75,772)	75,772
	<u>£127,692</u>	<u>£(423,579)</u>

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 3 November 1991

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%-40% straight line per annum
Furniture, fixtures and equipment	- 25% straight line per annum
Short leasehold	- over life of lease
- (c) Goodwill is written off to reserves in the year of acquisition.
- (d) Provision is made for deferred taxation to the extent that a liability is expected to arise in the foreseeable future.
- (e) Assets acquired under finance leases or hire purchase agreements are included in tangible fixed 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.
- (f) The financial statements have been prepared in accordance with applicable accounting standards.

2. ANALYSIS OF TURNOVER AND PROFIT

Turnover is derived from the provision of courier and despatch services within the United Kingdom and all operating profit is in respect of this turnover.

	1991 £	1990 £
Profit before taxation is after charging:		
Directors' emoluments (see note 3)	71,056	34,434
Depreciation	125,054	71,809
Auditors' remuneration	4,500	5,000
Bank interest	30,201	23,170
Hire purchase interest	9,454	6,315
Hire of plant and machinery	12,961	3,427

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 3 November 1991 (continued)

3. STAFF COSTS

	1991 £	1990 £
(a) Directors' emoluments comprise:		
Management remuneration	<u>£71,856</u>	<u>£34,434</u>
Chairman and highest paid director	<u>£49,231</u>	<u>£15,696</u>

Directors remuneration, including those above, fell within the following ranges:

	Number	Number
Directors:		
£0 - £ 5,000	3	3
£ 5,001 - £10,000	1	-
£15,001 - £20,000	1	2
£45,001 - £50,000	<u>1</u>	<u>-</u>

(b) Employees

The average number of employees during the period was as follows:

	1991 Number	1990 Number
Administration	36	15
Distribution	<u>6</u>	<u>35</u>
	<u>42</u>	<u>50</u>

Staff costs (including directors emoluments):

	£	£
Wages and salaries	387,652	225,439
Social security costs	<u>39,123</u>	<u>22,414</u>
	<u>£426,775</u>	<u>£247,853</u>

4. TAXATION

The taxation charge is based on profit for the year and comprises:

Corporation tax at 33% (1990-34%)	<u>£21,848</u>	<u>£44,655</u>
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5. DIVIDENDS

Final	<u>£-</u>	<u>£52,322</u>
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NOTES TO THE FINANCIAL STATEMENTS
for the period ended 3 November 1991 (continued)

6. TANGIBLE FIXED ASSETS

	Leasehold £	Motor vehicles £	Furniture, fixt. and equipment £	Total £
Cost				
5 November 1990	98,656	89,655	328,136	516,447
Additions - 3rd party	10,904	19,549	61,669	92,122
- Group	-	14,138	-	14,138
Disposals - Group	(109,560)	(81,087)	(389,805)	(580,452)
- 3rd party	-	(42,255)	-	(42,255)
3 November 1991	-	-	-	-
Depreciation				
5 November 1990	1,844	15,123	54,842	71,809
Provision for period	3,505	21,020	100,029	125,054
Transfer in	-	4,442	-	4,442
Disposals - Group	(5,349)	(25,953)	(155,371)	(186,673)
- 3rd party	-	(14,632)	-	(14,632)
3 November 1991	-	-	-	-
Net book value				
3 November 1991	£-	£-	£-	£-
4 November 1990	£96,812	£74,532	£273,294	£444,638

The net book value of fixed assets includes £Nil (1990:£76,115) in respect of assets held under hire purchase agreements. Depreciation charged in the period on these assets amounted to £Nil (1990:£24,033).

7. DEBTORS

	1991 £	1990 £
Trade debtors	-	541,705
Amount owed by other group companies	295,987	250,060
Other debtors and prepayments	-	90,853
	<u>£295,987</u>	<u>£882,618</u>

8. CREDITORS: amounts falling due within one year

Bank loan and overdraft	-	458,342
Hire purchase creditors	-	36,836
Trade creditors	-	120,717
Accruals and other creditors	-	103,761
Corporation tax	-	44,655
Other taxes and social security	-	158,689
Proposed dividends	-	52,322
	<u>£-</u>	<u>£975,322</u>

The bank overdraft and bank loans are secured by an unscheduled mortgage over the company's assets.

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 3 November 1991 (continued)

9.	CREDITORS: amounts falling due after more than one year	1991 £	1990 £
	Hire purchase creditors	<u>£-</u>	<u>£38,936</u>
10.	SHARE CAPITAL		Allotted and fully paid
	3 November 1991 and 4 November 1990	Authorised	
	Ordinary shares of £1 each	<u>£600,00</u>	<u>£250,100</u>
11.	RESERVES	Share premium account £	Other reserves £
	4 November 1990	120,000	(57,102)
	In period	<u>"</u>	<u>(17,011)</u>
	3 November 1991	<u>£120,000</u>	<u>£(57,102)</u>
			<u>£(17,011)</u>

12. ULTIMATE PARENT COMPANY

The directors regard Securiguard Group plc, a company registered in England and Wales, as the ultimate parent company.