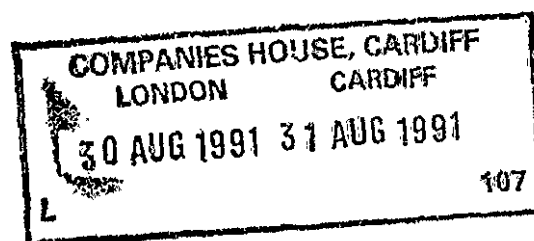


C T S COURIERS LIMITED
(formerly A to Z Couriers Limited)

DIRECTORS' REPORT AND
FINANCIAL STATEMENTS

for period ended
4 November 1990



Company Number 2477582

C T S COURIERS LIMITED
(formerly A to Z Couriers Limited)

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DIRECTORS' REPORT
for the period ended 4 November 1990

FINANCIAL STATEMENTS

The directors present their report and financial statements for the period ended 4 November 1990.

PRINCIPAL ACTIVITY

The principal activity of the company is that of same day courier services. The company was incorporated on 6 March 1990 as Precis (1989) Limited. On 13 June 1990 it acquired the trade and business assets of A to Z Couriers Limited and changed its name to A to Z Couriers Limited.

The company changed its name to C T S Couriers Limited on 11 June 1991.

TRADING RESULTS AND DIVIDENDS

The profit on ordinary activities before taxation for the period amounted to £96,977.

The directors recommend payment of a dividend for the period of £51,322.

DIRECTORS

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

R K Shirley	(appointed 24 May 1990)
P J Dunckley	(appointed 25 May 1990, resigned 14 June 1991)
J P Dally	(appointed 13 June 1990, resigned 13 June 1991)
A Dally	(appointed 13 June 1990, resigned 13 June 1991)
N J Georgevic	(appointed 12 October 1990, resigned 1 June 1991)
P J Dyke	(appointed 24 May 1991)

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

Mr P J Dunckley is a director of the holding company, Securiguard Group Plc. His interest in the shares of that company are shown in its financial statements.

The interest of the director (who is not a director of the holding company) in the shares of the holding company is as follows:

	4 November 1990			At date of appointment	
	Ordinary Shares	Option Employee	Schemes Executive	Ordinary Shares	Option Scheme Executive
R K Shirley	6,000	20,000	40,000	3,000	40,000

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.

C T S COURIERS LIMITED

(formerly A to Z Couriers Limited)

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DIRECTORS' REPORT

for the period ended 4 November 1990 (continued)

TANGIBLE FIXED ASSETS

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

EMPLOYMENT POLICY

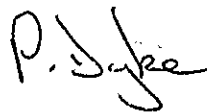
The company places emphasis on employee involvement and the holding company has established a Group Employee Share Option Scheme. The group considers that employee share ownership should continue to be an important feature of employee participation. Regular meetings and consultations are held with employees 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

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


Secretary



Registered office:

Shakespeare House
168 Lavender Hill
London
SW11 5TG



BDO Binder Hamlyn
Chartered Accountants

7-17 Lansdowne Road, Geyser, CR0 2BX

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AUDITORS' REPORT
to the members of C T S Couriers Limited
(formerly A to Z Couriers 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 4 November 1990 and of its profit 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
28th August, 1991,

C. T. S. COURIERS LIMITED
 (formerly A to Z Couriers Limited)

PROFIT AND LOSS ACCOUNT
 for the period ended 4 November 1990

	Notes	1990 £
Turnover	2	1,291,998
Cost of sales		(672,050)
Gross profit		619,938
Administrative expenses		(493,476)
Operating profit		126,462
Interest payable and similar charges	2	(29,485)
Profit on ordinary activities before taxation	2	96,977
Taxation on profit on ordinary activities	4	(44,655)
Profit on ordinary activities after taxation		52,322
Dividends	5	(52,322)
Retained profit for the year	12	£ -

C T S COURIERS LIMITED
(formerly A to Z Couriers Limited)

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BALANCE SHEET
as at 4 November 1990

	Notes	1990 £
FIXED ASSETS		
Tangible assets	6	444,638
CURRENT ASSETS		
Debtors	7	882,618
CREDITORS: amounts falling due within one year	8	(975,322)
Net Current Liabilities		(92,904)
Total Assets less Current Liabilities		351,934
CREDITORS: amounts falling due after more than one year	9	(38,936)
PROVISIONS FOR LIABILITIES AND CHARGES	10	-
Net Assets		£312,998
CAPITAL AND RESERVES		
Called up share capital	11	250,100
Share premium account	12	120,000
Other reserves	12	(57,102)
Profit and loss account	12	-
		£312,998

The financial statements on pages 4 to 10 were approved by the Board on

} Directors

P. Dyke
E.K. Skidley

C. T. & COURIERS LIMITED
(Formerly A to Z Couriers Limited)

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STATEMENT OF SOURCE AND APPLICATION OF FUNDS
for the period ended 4 November 1990

SOURCE OF FUNDS	1990 £
Profit before taxation	96,977
Adjustment for item not involving the movement of funds:	
Depreciation	71,809
	<hr/>
Funds generated from operations	168,786
Funds from other sources	
Issue of share capital	1,000,000
	<hr/>
	1,168,786
APPLICATION OF FUNDS	
Purchase of fixed assets	(516,447)
Purchase of goodwill	(687,102)
Increase in working capital	(423,579)
	<hr/>
DECREASE IN NET LIQUID FUNDS	£ (458,342)
MOVEMENT IN WORKING CAPITAL	<hr/>
Decrease in debtors	(882,518)
Increase in creditors	383,167
Increase in hire purchase creditors	75,772
	<hr/>
	£ (423,579)
	<hr/>

C T S COURIERS LIMITED
(formerly A to Z Couriers Limited)

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NOTES TO THE FINANCIAL STATEMENTS
for the period 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% - 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.

	1990 £
Profit before taxation is after charging:	
Directors' emoluments (see note 3)	34,434
Depreciation	71,809
Auditors' remuneration	5,000
Bank interest	23,170
Hire purchase interest	6,315
Hire of plant and machinery	3,427

C T S COURIERS LIMITED
(formerly A to Z Couriers Limited)

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NOTES TO THE FINANCIAL STATEMENTS
for the period ended 4 November 1990 (continued)

3. STAFF COSTS

	1990
(a) Directors' emoluments comprise:	
Management remuneration	£34,434

Chairman and highest paid director	£15,696
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Other directors:	Number
£0 - £ 5,000	3
£15,001 - £20,000	1

(b) Employees

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

	1990 Number
Administration	15
Distribution	35

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Staff costs:

	1990 £
Wages and salaries	225,439
Social security costs	22,414

£247,853

4. TAXATION

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

Corporation tax at 35%	1990 £44,655
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5. DIVIDENDS

Final	£52,322
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C T S COURIERS LIMITED
(formerly A to Z Couriers Limited)

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NOTES TO THE FINANCIAL STATEMENTS
for the period ended 4 November 1990 (continued)

6. TANGIBLE FIXED ASSETS

	Leasehold £	Motor vehicles £	Furniture, fixtures and equipment £	Total £
Cost				
Additions	98,656	89,655	328,136	516,447
4 November 1990	98,656	89,655	328,136	516,447
Depreciation				
Provision for period	1,844	15,123	54,842	71,809
4 November 1990	1,844	15,123	54,842	71,809
Net book value 4 November 1990	£96,812	£74,532	£273,294	£444,638

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

7. DEBTORS

	1990 £
Trade debtors	541,705
Amount owed by other group companies	250,060
Other debtors and prepayments	90,853
	£882,618

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
	£975,322

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

C T S COURIERS LIMITED
(formerly A to Z Couriers Limited)

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NOTES TO THE FINANCIAL STATEMENTS
for the period ended 4 November 1990 (continued)

9.	CREDITORS: amounts falling due after more than one year	1990
	Hire purchase creditors	<u>£38,936</u>

10. PROVISION FOR LIABILITIES AND CHARGES

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:

	Potential	1990 Provided
	£	£
Accelerated capital allowances	<u>-</u>	<u>-</u>

11. SHARE CAPITAL

	Authorised	Allotted and fully paid
At 4 November 1990		
Ordinary shares of £1 each	<u>£600,000</u>	<u>£250,10</u>

12. RESERVES

(a)	Share premium account £	Other reserves £	Profit and loss account £
Created in period	750,000	-	-
Transferred in period	(630,000)	630,000	-
Goodwill written off	-	(687,102)	-
	<u>£120,000</u>	<u>£(57,102)</u>	<u>£ -</u>
At 4 November 1990			

(b) On 13 July 1990, the shareholders passed a resolution whereby £630,000 of the share premium account was cancelled and converted into other reserves. This was approved by the High Court on 8 October 1990.

13. ULTIMATE HOLDING COMPANY

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