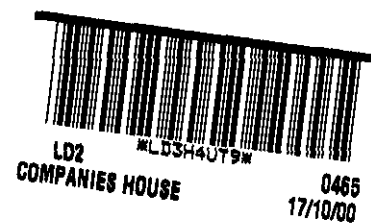


Bourne Security Limited

Report and financial statements for the year ended 31 March 2000

Registered No. 3283939



Bourne Security Limited

Report and financial statements for the year ended 31 March 2000

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Company information

Registered office

6 Ludgate Square
London
EC4M 7AS

Directors

P Elliot
C P Harvey
S Jones
P J Ryan
Southtown Limited

Company secretary

P T Osborne

Auditors

PricewaterhouseCoopers
1 Embankment Place
London
WC2N 6NN

**Report of the directors
for the year ended 31 March 2000**

The directors present their report and the audited financial statements of the company for the year ended 31 March 2000.

Review of the business

The principal activity of the company is the provision of security services.

Both the level of business and year end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

Results and dividends

The retained profit for the financial year amounted to £174,000 (1999: £170,000) which has been transferred to reserves. The directors do not recommend the payment of a dividend.

Directors

The following have served as directors during the year:

P Elliot
C P Harvey
S Jones
P J Ryan
Southtown Limited (appointed 31 March 2000)
B R Marchant (resigned 31 March 2000)

During the year under review no director had any beneficial interest 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.

**Report of the directors
for the year ended 31 March 2000 (continued)****Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss for that year. 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;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements 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 and to 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.

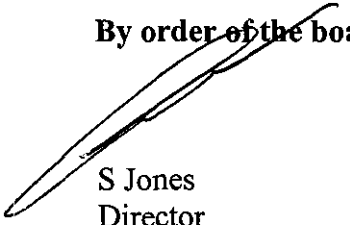
Year 2000

The company successfully prepared for the potential year 2000 problems and no disruptions arose. There were no significant costs of rendering the existing software year 2000 compliant.

Auditors

PricewaterhouseCoopers continue in office as, in accordance with Section 386 of the Companies Act 1985, the company has made an elective resolution to dispense holding an annual general meeting.

By order of the board



S Jones
Director
29 September 2000

**Report of the auditors to the members of
Bourne Security Limited**

We have audited the financial statements on pages 5 to 11

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 at 31 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London
29 September 2000

**Profit and loss account
for the year ended 31 March 2000**

	Notes	2000 £'000	1999 £'000
Turnover		1,683	1,923
Cost of sales		(1,286)	(1,466)
Gross profit		397	457
Administrative expenses		(146)	(207)
Profit on ordinary activities before taxation	2	251	250
Tax on profit on ordinary activities	4	(77)	(80)
Retained profit for the financial year	9	174	170

All amounts relate to continuing activities.

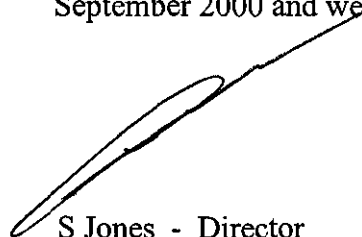
No statement of recognised gains and losses is required as there are no recognised gains or losses other than the results detailed above.

There is no difference between the results reported above and the equivalent results calculated on an unmodified historical cost basis.

**Balance sheet
as at 31 March 2000**

	Notes	2000 £'000	1999 £'000
Fixed assets			
Tangible assets	5	<u>6</u>	<u>14</u>
Current assets			
Debtors	6	672	396
Cash at bank and in hand		<u>87</u>	<u>562</u>
		759	958
Creditors: amounts falling due within one year	7	<u>(1,244)</u>	<u>(1,625)</u>
Net current liabilities		<u>(485)</u>	<u>(667)</u>
		<u>(479)</u>	<u>(653)</u>
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account – (deficit)	9	(479)	(653)
Equity shareholder's deficit	10	<u>(479)</u>	<u>(653)</u>

The financial statements on pages 5 to 11 were approved by the board of directors on 29 September 2000 and were signed on its behalf by:



S Jones - Director

**Notes to the financial statements
for the year ended 31 March 2000****1 Principal accounting policies****Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom, on the basis of continuing financial support from group undertakings.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided so as to write off the cost less the estimated residual value of each asset on a straight line basis over its estimated useful life, as follows:

Computer equipment	33 per cent per annum
Office equipment and fixtures	20 per cent per annum
Motor vehicles	25 per cent per annum

Deferred taxation

Deferred taxation is provided at current rates of tax using the liability method to take account of all timing differences between the recognition of income and expenditure for taxation and accounting purposes, only to the extent that they are reasonably expected to reverse in the foreseeable future without being replaced.

Turnover

Turnover comprises the invoiced value of services provided and goods supplied, net of value added tax.

Pension payments

Contributions payable to defined contribution pension schemes and to employees' pension schemes are charged to the profit and loss account in the year to which they relate.

Cash flow statement

In accordance with FRS 1 (Revised) the company has not prepared a statement of cash flows for the current year as it is a wholly owned subsidiary of Carlisle Group plc, who publishes consolidated financial statements which include a consolidated cash flow statement.

**Notes to the financial statements
for the year ended 31 March 2000 (continued)**

2 Profit on ordinary activities before taxation

	2000	1999
	£'000	£'000

Profit on ordinary activities before taxation is stated after charging:

Depreciation of tangible fixed assets

- owned assets

8	18
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Auditors' remuneration for the current and prior year has been borne by Capitol Group plc. No director received any remuneration from the company during the year.

3 Staff costs and numbers

Staff costs during the year were:

	2000	1999
	£'000	£'000
Wages and salaries	1,228	1,382
Social security costs	105	120
Pension costs	1	-
	<u>1,334</u>	<u>1,502</u>

The average number of employees during the year was:

	2000	1999
	Number	Number
Operational	119	133
Management and administration	5	5
	<u>124</u>	<u>138</u>

**Notes to the financial statements
for the year ended 31 March 2000 (continued)**

4 Tax on profit on ordinary activities

	2000 £'000	1999 £'000
UK corporation tax at 30 per cent (1999: 31 per cent)	77	80
Adjustment in respect of prior years	(80)	-
Group relief payable in respect of prior years	80	-
	<u>77</u>	<u>80</u>

5 Tangible fixed assets

	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total £'000
Cost			
At 1 April 1999 and 31 March 2000	<u>10</u>	<u>25</u>	<u>35</u>
Depreciation			
At 1 April 1999	3	18	21
Charge for the year	<u>3</u>	<u>5</u>	<u>8</u>
At 31 March 2000	<u>6</u>	<u>23</u>	<u>29</u>
Net book values			
At 31 March 2000	<u>4</u>	<u>2</u>	<u>6</u>
At 31 March 1999	<u>7</u>	<u>7</u>	<u>14</u>

6 Debtors

	2000 £'000	1999 £'000
Amounts falling due within one year		
Trade debtors	249	266
Amounts owed by group undertakings	296	-
Corporation tax recoverable	2	-
Other debtors	5	2
Prepayments and accrued income	120	128
	<u>672</u>	<u>396</u>

**Notes to the financial statements
for the year ended 31 March 2000 (continued)**

7 Creditors: amounts falling due within one year

	2000 £'000	1999 £'000
Trade creditors	-	3
Amounts owed to group undertakings	942	1,252
Corporation tax	77	82
Social security and other taxes	108	125
Other creditors	-	82
Accruals and deferred income	117	81
	<u>1,244</u>	<u>1,625</u>

8 Called up share capital

	2000 £'000	1999 £'000
Authorised		
100 ordinary shares of £1 each	<u>-</u>	<u>-</u>
Allotted, called up and fully paid		
2 ordinary shares of £1 each	<u>-</u>	<u>-</u>

9 Profit and loss account

	£'000
At 1 April 1999	(653)
Retained profit for the financial year	174
At 31 March 2000	<u>(479)</u>

10 Reconciliation of movements in equity shareholders' deficit

	2000 £'000	1999 £'000
Profit for the financial year	174	170
Shareholders' deficit at beginning of year	(653)	(823)
Shareholders' deficit at end of year	<u>(479)</u>	<u>(653)</u>

**Notes to the financial statements
for the year ended 31 March 2000 (continued)****11 Contingencies**

An unlimited composite banking guarantee exists between the company and various fellow group undertakings in respect of banking facilities provided to the group in the UK.

The company, together with various fellow group undertakings, has provided a UK guarantee for the financing obligations of Carlisle Finance S.A., a fellow group undertaking incorporated in Luxembourg. The guarantee provides a first priority lien on the share capital of each guarantor and on certain other property and assets, including receivables, of each guarantor.

12 Related party transactions

The company has taken advantage of the exemption within Financial Reporting Standard 8 not to disclose transactions with other group companies.

13 Ultimate parent undertaking

The company's immediate parent undertaking is Capitol Security Services Limited.

The smallest group in which the company is consolidated is Carlisle Group plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the consolidated financial statements of Carlisle Group plc can be obtained from its registered office at 6 Ludgate Square, London, EC4M 7AS.

As at 31 March 2000, the company's ultimate parent undertaking was Carlisle Holdings Limited, a company registered in Belize. Mr. M. A. Ashcroft beneficially owned and controlled 65.5 percent of Carlisle Holdings Limited. Copies of the consolidated financial statements of Carlisle Holdings Limited can be obtained from its registered office at 60 Market Square, Belize City, Belize, Central America.