

Britannia Security Group Limited
Annual report
for the year ended 30 September 1998

Registered no: 1388141



Britannia Security Group Limited

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Britannia Security Group Limited

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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

**Directors' report
for the year ended 30 September 1998**

The directors present their report and the audited financial statements for the year ended 30 September 1998.

Principal activities

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

Review of business

The retained profit for the year amounted to £4,000 (9 month period ended 30 September 1997: £100,000,000), which has been transferred to reserves.

The directors do not recommend the payment of a dividend.

Directors

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

T W Godfray

J Radford

C R Tankard – Appointed 23 October 1998

Directors' interests in 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.

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.

Fixed assets

Movements in fixed assets are analysed in note 6 to the financial statements.

Directors' report (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. 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 the 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 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

Our auditors, Coopers & Lybrand, merged with Price Waterhouse on 1 July, following which Coopers & Lybrand resigned and the directors appointed the new firm, PricewaterhouseCoopers, as auditors. A resolution to reappoint PricewaterhouseCoopers as auditors to the company will be proposed at the annual general meeting.

By order of the board



T W Godfray
Secretary

27 July 1999

Report of the auditors to the members of Britannia Security Group Limited

We have audited the financial statements on pages 5 to 11 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, including as described on page 3 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 the company's affairs at 30 September 1998 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

27 July 1999

**Profit and loss account
for the year ended 30 September 1998**

		Year ended 30 September 1998 £'000	9 months ended 30 September 1997 £'000
	Notes		
Operating expenses	2	(3)	-
Operating loss		(3)	-
Forgiveness of amounts owed to group undertaking	3	-	100,000
		(3)	100,000
Interest receivable	4	7	-
(Loss) / profit on ordinary activities before taxation		4	100,000
Taxation	5	-	-
Retained profit for the period	10	4	100,000

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 profit on ordinary activities before taxation and the retained profit for the period stated above, and their historical cost equivalents.

All transactions in both periods relate to continuing operations.

**Balance sheet
at 30 September 1998**

		30 September 1998 £'000	30 September 1997 £'000
	Notes		
Fixed assets			
Investments	6	115,751	115,751
Current assets			
Cash		76	-
Debtors: amounts falling due within one year	7	59	128
		135	128
Creditors: amounts falling due within one year	8	(36,535)	(36,532)
Net current liabilities		(36,400)	(36,404)
Net assets		79,351	79,347
Capital and reserves			
Called-up share capital	9	47,858	47,858
Share premium account		22,833	22,833
Other reserves		31,105	31,105
Profit and loss account	10	(22,445)	(22,449)
Equity shareholders' funds		79,351	79,347

The financial statements on pages 5 to 11 were approved by the board of directors on 27 July 1999 and were signed on its behalf by:



) Directors

Notes to the financial statements for the year ended 30 September 1998

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom for the year ended 30 September 1998. Comparative data is for the nine month period ended 30 September 1997. 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.

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 an indirect wholly owned subsidiary undertaking of a company registered in England and Wales which itself prepares consolidated financial statements.

Cash flow statement and related party transactions

The company is a wholly owned subsidiary of Tyco Holdings (UK) Limited (see note 12). Consequently, the company is 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 12), and is exempt, under the terms of Financial Reporting Standard No 8, from disclosing related party transactions with entities that are part of the Tyco International Ltd. group or investees of the Tyco International Ltd. group.

Notes to the financial statements (continued)

2 Operating expenses

	1998 £'000	1997 £'000
Auditors' remuneration	-	-
Directors' emoluments	-	-
Other operating expenses	3	-
	<u>3</u>	<u>-</u>

The directors received no emoluments for their services to the company. Accordingly, the financial statements include no emoluments in respect of any directors. The directors are also directors of the parent company and a number of fellow subsidiaries. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of the parent company.

3 Forgiveness of amounts owed to group undertaking

Effective 30 September 1997, as part of a series of transactions relating to the restructuring of the UK group, the company borrowed £100 million from the company's immediate parent ADT Group PLC, which was then lent on to the company's subsidiary undertaking Electric Protection Services Limited, subsequently renamed ADT Fire and Security plc.

Following the aforementioned transaction, effective 30 September 1997, ADT Group PLC forgave the inter company loan of £100 million owed by the company to ADT Group PLC, and the company then forgave the inter company loan of £100 million owed to the company by ADT Fire and Security plc together with a further £10,545,000 which was owed to the company by ADT Fire and Security plc.

The forgiveness of the amounts owed by the company to ADT Group PLC in the amount of £100 million was credited to the profit and loss account, and the forgiveness of the amounts owed to the company by ADT Fire and Security plc in the amount of £110,545,000 was included as an addition to the investment in group undertakings (note 6).

4 Interest receivable

	1998 £'000	1997 £'000
Banks and other sources	7	-
	<u>7</u>	<u>-</u>

Notes to the financial statements (continued)

5 Taxation

There is no tax charge on the profits as adjusted for tax purposes for the current period and prior year due to the availability of brought forward tax losses.

6 Fixed asset investments

	Interest in group undertakings £'000
Cost	
At 1 October 1997	201,426
Additions (note 3)	-
At 30 September 1998	201,426
Amounts provided	
At 30 September 1998	85,675
Net book values	
At 30 September 1998	115,751
At 30 September 1997	115,751

Interest in principal group undertakings

Name of undertaking	Description of holding	Proportion of nominal value of issued shares held	Country of incorporation or registration
ADT Fire and Security plc (formerly Electric Protection Services Limited)	Ordinary shares of £1 each	100%	England and Wales
White Group Electronics Limited	Ordinary shares of £1 each 10% fixed cumulative preference shares of £1 each	100% 100%	England and Wales

Notes to the financial statements (continued)

7 Debtors

	1998 £'000	1997 £'000
Amounts falling due within one year		
Amounts owed by subsidiary undertakings	59	59
Other debtors	-	69
	<u>59</u>	<u>128</u>

8 Creditors: amounts falling due within one year

	1998 £'000	1997 £'000
Amounts owed to parent and fellow subsidiary undertakings	30,252	30,249
Amounts owed to subsidiary undertakings	6,283	6,283
	<u>36,535</u>	<u>36,532</u>

9 Called-up share capital

	1998 £'000	1997 £'000
Authorised		
500,000,000 ordinary shares of 10p each	50,000	50,000
15,000,000 preference shares of £1 each	15,000	15,000
Allotted, called-up and fully paid		
478,575,373 ordinary shares of 10p each	<u>47,858</u>	<u>47,858</u>

10 Profit and loss account

	£'000
At 1 October 1997	(22,449)
Retained profit for the year	4
At 30 September 1998	<u>(22,445)</u>

Notes to the financial statements (continued)**11 Reconciliation of movements in shareholders' funds**

	1998	1997
	£'000	£'000
Opening shareholders' funds	79,347	(20,653)
Retained profit for the period	4	100,000
Closing shareholders' funds	<u>79,351</u>	<u>79,347</u>

12 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 that company's corporate office: The Gibbons Buildings, 10 Queen Street, Suite 301, Hamilton HM11, 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 incorporated in the United Kingdom). Copies of their consolidated financial statements are available at its registered office: The International Finance Centre, 27th Floor, 25 Old Broad Street, London, EC2N 1HN.