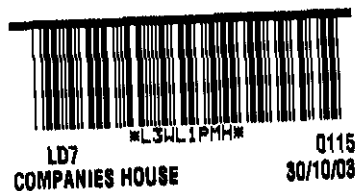


**Brink's Diamond & Jewellery Services Limited**

**Directors' report and financial  
statements**

Registered number 2717472

31 December 2002



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2002.

### Principal activities

The principal activity of the company is the provision of high quality secure transportation services to importers and exporters of gems and jewellery.

### Business review

The company did not trade during the year ended 31 December 2002.

The financial results for the year are set out on page 4.

### Proposed dividend and transfer to reserves

The directors do not recommend the payment of a dividend (2001: £nil).

The profit for the year transferred to reserves is £nil (2001: £10,000).

### Directors and directors' interests

The directors who held office during the year under review were as follows:

J Eyal  
C Deuchars (resigned 12 August 2003)  
I Sanders

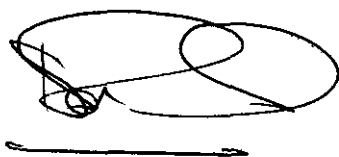
None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

### Auditors

Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditors annually and KPMG LLP will therefore continue in office.

By order of the board

Ian Sanders  
Director



Arnold House  
36/41 Holywell Lane  
London  
EC2A 3LB

25<sup>th</sup> September 2003

## Statement of 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 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;
- 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



PO Box 695  
8 Salisbury Square  
London  
EC4Y 8BB

## **Independent auditors' report to the members of Brink's Diamond & Jewellery Services Limited**

We have audited the financial statements on pages 4 to 12.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### *Respective responsibilities of directors and auditors*

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by 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 1985. 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 with the company is not disclosed.

### *Basis of 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 December 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**KPMG LLP**  
Chartered Accountants  
Registered Auditor

25 SEPTEMBER 2003

## Profit and loss account

for the year ended 31 December 2002

	Note	Year ended 31 December 2002 £000	Year ended 30 December 2001 £000
<b>Turnover</b>	1	-	2,161
Cost of sales		-	(2,008)
		<hr/>	<hr/>
<b>Gross profit</b>		-	153
Administrative expenses		-	(111)
		<hr/>	<hr/>
<b>Operating profit</b>		-	42
Other interest receivable and similar income	5	-	1
Interest payable and similar charges	6	-	(2)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	2-4	-	41
Taxation on profit on ordinary activities	7	-	(31)
		<hr/>	<hr/>
<b>Profit on ordinary activities after taxation</b>		-	10
Retained profit brought forward		313	303
		<hr/>	<hr/>
<b>Retained profit carried forward</b>		313	313
		<hr/>	<hr/>

The company did not trade during the year ended 31 December 2002.

The company has no recognised gains or losses other than those reported in the profit and loss account. Accordingly a statement of total recognised gains and losses has not been prepared.

The results disclosed in the profit and loss account are on an historical cost basis.

A statement of movement in shareholders' funds is included within note 12.

The notes on pages 6 to 12 form part of these financial statements.

## Balance sheet

at 31 December 2002

	Note	31 December 2002	30 December 2001
		£000	£000
<b>Fixed assets</b>			
Tangible assets	8	-	31
<b>Current assets</b>			
Debtors	9	363	845
Cash at bank and in hand		-	616
		<u>363</u>	<u>1,461</u>
<b>Creditors: amounts falling due within one year</b>	10	-	(1,129)
		<u>363</u>	<u>332</u>
<b>Net current assets</b>			
		<u>363</u>	<u>363</u>
<b>Net assets</b>			
		<u>363</u>	<u>363</u>
<b>Capital and reserves</b>			
Called up share capital	11	50	50
Profit and loss account		313	313
		<u>363</u>	<u>363</u>
<b>Shareholders' funds – equity</b>			
		<u>363</u>	<u>363</u>

These financial statements were approved by the board of directors on 25<sup>th</sup> September 2003 and signed on its behalf by:

  
**Ian Sanders**  
 Director

The notes on pages 6 to 12 form part of these financial statements.

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements. The company has adopted FRS 19 'Deferred tax' in these financial statements. No prior year adjustment has resulted from the adoption of this policy.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

#### *Cash flow statement*

Under Financial Reporting Standard 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published financial statements.

#### *Fixed assets and depreciation*

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold improvements	-	life of lease
Fixtures, fittings and computer equipment	-	5 years

#### *Foreign currencies*

Transactions denominated in foreign currencies are translated and recorded at the rate of exchange ruling at the date of the transaction; balances payable or receivable at the balance sheet date are translated at the rates of exchange ruling at that date. Differences arising are taken to the profit and loss account.

#### *Taxation*

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

#### *Pension costs*

The company participates in the Brink's (UK) Limited Group pension scheme in respect of certain employees. The company's pension costs are charged against the profit and loss account so as to spread the cost of pensions over the estimated service lives of the company's employees in the Group pension scheme.



## Notes (continued)

### 1 Accounting policies (continued)

#### Turnover

Turnover represents the amounts invoiced (excluding customs and excise duties and value added tax) in respect of transportation services provided to customers during the year.

#### Related party transactions

As a wholly owned subsidiary of The Brink's Company (previously known as The Pittston Company), the company has taken advantage of the exemption in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group. There were no other related party transactions.

### 2 Profit on ordinary activities before taxation

	Year ended 31 December 2002 £000	Year ended 30 December 2001 £000
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration – audit services	-	2
Depreciation on tangible fixed assets	-	15
Hire of plant and machinery – rentals payable under operating leases	-	15
	<hr/>	<hr/>

### 3 Remuneration of directors

No emoluments were paid by the company to directors during the year (2001: £nil). The directors are paid by other companies within the same group.

## Notes (continued)

### 4 Staff numbers and costs

The average number of persons (including directors) employed by the company during the year was 3 (2001: 8).

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2002 £000	Year ended 30 December 2001 £000
Wages and salaries	-	152
Social security costs	-	12
Other pension costs (see note 13)	-	4
	<hr/>	<hr/>
	-	168
	<hr/>	<hr/>

### 5 Other interest receivable and similar income

	Year ended 31 December 2002 £000	Year ended 30 December 2001 £000
Bank interest	-	1
	<hr/>	<hr/>

### 6 Interest payable and similar charges

	Year ended 31 December 2002 £000	Year ended 30 December 2001 £000
On bank loans and overdrafts	-	2
	<hr/>	<hr/>
	-	2
	<hr/>	<hr/>

## Notes (continued)

### 7 Taxation

#### Analysis of tax charge in period

	2002	2001
£000	£000	£000
<i>UK corporation tax</i>		
Current tax on result for the period	-	14
Adjustments in respect of prior periods	-	17
	<hr/>	<hr/>
Total current tax	-	31
	<hr/>	<hr/>
Tax on loss on ordinary activities	-	31
	<hr/>	<hr/>

#### Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2001: lower) than the standard rate of corporation tax in the UK (30%, 2001:30%). The differences are explained below.

	2002	2001
£000	£000	£000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	-	41
	<hr/>	<hr/>
Current tax at 30% (2001: 30%)	-	12
	<hr/>	<hr/>
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	2
Adjustments to tax charge in respect of previous periods	-	17
	<hr/>	<hr/>
Total current tax charge (see above)	-	31
	<hr/>	<hr/>

## Notes (continued)

### 8 Tangible fixed assets

	Leasehold improvements	Fixtures Fittings and computer equipment	Total
	£000	£000	£000
<b>Cost</b>			
At beginning of year	55	86	141
Disposals	(55)	(86)	(141)
At end of year	-	-	-
<b>Depreciation</b>			
At beginning of year	39	71	110
Disposals	(39)	(71)	(110)
At end of year	-	-	-
<b>Net book value</b>			
At 31 December 2002	-	-	-
At 30 December 2001	16	15	31

### 9 Debtors

	31 December 2002 £000	30 December 2001 £000
Trade debtors	-	473
Amounts owed by group undertakings	363	341
Prepayments	-	31
	<u>363</u>	<u>845</u>

### 10 Creditors: amounts falling due within one year

	31 December 2002 £000	30 December 2001 £000
Trade creditors	-	254
Amounts owed to group undertakings	-	279
Other creditors including taxation and social security	-	575
Accruals	-	21
	<u>-</u>	<u>1,129</u>

## Notes (continued)

### 11 Called up share capital

	31 December 2002 £000	30 December 2001 £000
<i>Authorised, allotted, called up and fully paid</i>		
50,000 Ordinary shares of £1 each	50	50

### 12 Reconciliation of movements in shareholders' funds

	Year ended 31 December 2002 £000	Year ended 30 December 2001 £000
Opening shareholders' funds	363	353
Profit for the financial year	-	10
<b>Closing shareholders' funds</b>	<b>363</b>	<b>363</b>

### 13 Pension scheme

The company participates in the Brinks (UK) Limited Group pension scheme in respect of certain employees. The scheme provides benefits based on final pensionable pay. Because the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 'Retirement benefits' the scheme will be accounted for by the company when the accounting standard is fully adopted by the company as if the scheme was a defined contribution scheme.

The latest full actuarial valuation was carried out at 1 December 1999 and updated for FRS 17 purposes to 31 December 2002 by a qualified independent actuary. The market value of the group scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, was £5.1m, and the present value of the scheme's liabilities, which are derived from cash flow projections and thus inherently uncertain, was £9.2m, giving rise to a scheme deficit of £4.1m, before taking account of any deferred tax asset.

The company is one of a number of participating employers and the implications of any surplus or deficit are considered on a group basis.

No contributions were payable by the company to the fund during the year (2001: £4,000).

## Notes *(continued)*

### 14 Ultimate parent company

The ultimate parent undertaking is The Brink's Company (previously known as The Pittston Company), a company incorporated in the United States of America, the accounts of which are available from the following address:

1801 Bayberry Ct.  
P.O. Box 18100  
Richmond Va. 23226-8100  
USA

The smallest group in which the results of the company are consolidated is that headed by Brink's (UK) Limited, registered in England and Wales, the accounts of which can be obtained from the following address:

Companies House  
Crown Way  
Cardiff  
CF4 3UZ