

Strategic Growth The transport sector is among those that we have targeted because of its attractive growth potential, and last year we secured an important contract that led to a number of other new client relationships.

The Latest Technology At Capitol Security Services, we must offer our clients new and cost-effective ways to handle their changing security needs. That's why we have recently opened a closed circuit television (CCTV) center where the latest technology enables us to give our clients a flexible and affordable service option that combines on-site guarding and remote surveillance.





innovate

Both the LI Group and Capitol Security Services operate in fast growing and highly competitive businesses. To distinguish themselves and deepen their client relationships, the two firms have to find new and innovative ways to find solutions to the many challenges that their clients face.

LI Group LI Group employs 5,000 people who provide contract cleaning and support services at 800 sites throughout the UK. Our traditional focus has been high-end, retail businesses, serving such clients as Asda, Harrods, Marks & Spencer and Tesco, and over the past year we have expanded to service other sectors such as transport.

Four Sectors The LI Group is divided into four sectors, each of which is given the independence to respond rapidly and flexibly to client needs. The four sectors are retail, leisure, travel and public services. At the retail level, we are often on site during store hours while the public is there, so we are responsible for more than cleaning services; we are also responsible for maintaining our client's image and reputation.

New Clients In the annual report for 2000, we listed among our objectives for the coming year an increased presence in the transport and leisure sectors, and we made significant progress on both fronts. On the transport side, we began the year by entering into an important contract with West Coast Traincare that led to our taking on a range of cleaning services for Virgin West Coast, including overnight train cleaning, "turnaround" cleaning (conducted between the time a train reaches its destination and its departure) and onboard cleaning. We also won the contract to clean 20 train stations for First Great Western – Bristol, Reading and Cardiff among them – as well as station cleaning and turnaround cleaning for Central Trains in Liverpool and Nottingham. Through the acquisition of MTL Commercial in February 2001, we obtained a bus cleaning business of one of its customers, the Arriva Group, as well as contracts for cleaning the stations on the London Underground's Jubilee Line. In the leisure sector, our base business more than doubled as we won new contracts for a number of health clubs, night clubs and bowling alleys.

Our services include:

- Car park cleaning
- Carpet cleaning
- Full janitor service
- General portering
- Hygiene cleans
- Kitchen deep cleans
- Refrigerator and shelf cleaning
- Trolley collection
- Waste compacting
- Window cleaning

Our principal clients include:

- Arriva Group
- Asda
- First Group
- Harrods
- Marks & Spencer
- Showcase Cinemas
- Somerfield
- Tesco
- The London Underground
- Toys 'R' Us
- West Coast Traincare
- Westminster City Council
- Woolworths



Tesco Tesco is the biggest retailer in the UK and the largest supermarket chain in Europe. Last year we doubled our business with Tesco and we are now providing cleaning services at 50 sites.

High Profile Contracts Though the Millennium Dome has closed, we won a number of other high-profile contracts last year, including the New Covent Garden Market and the Westminster City Council. The latter, in particular, gives us great visibility as it encompasses the center of London and such recognizable landmarks as the Houses of Parliament.

Whether we are working behind the scenes or in front of the public, we understand the importance of representing our clients to their customers.

Work undertaken within the transport sector includes:

- Bus cleaning and refuelling
- Bus stop cleaning and maintenance
- Coach depot cleaning
- On board cleaning (in service)
- Railway station cleaning
- Tanking (refilling of train water tanks)
- Train cleaning (interior and exterior)
- Train turnaround cleaning (at stations)



Capital Security Services Capitol Security Services is one of the UK's leading providers of security officers for retail and anti-terrorist security. Now the sixth largest manned guarding company in the UK, Capitol has more than 3,500 officers on duty for our clients, delivering guarding, patrol, keyholding and alarm response services. They operate from a network of offices which is supported by our 24/7 operations center in Woodford, Essex. We also offer our clients round-the-clock access to a toll-free helpline and remote closed circuit television (CCTV) monitoring.

Acquisitions In a fragmented industry, we have continued to pursue acquisitions that allow us to expand our geographic reach, add new clients to our roster and enjoy the economic benefits of consolidation. In the first quarter of this past year, we achieved those goals by completing the acquisitions of Aegis Security in Ireland and Ecosse in Scotland. Later in the year, we forged the last link in our coverage of Great Britain as a whole by acquiring Solo Security Services, based in Swansea, Wales. Solo is well established in Wales and the acquisition puts us among the country's top six security providers. We also acquired three other businesses during the year which expanded our reach into the London hotel and theater market and the Merseyside transport system.

New Clients Through acquisition and organic growth, we added a number of important new customers this past year, including Argos, the Patent Office, Gloucester Healthcare, the Office of National Statistics and Esso in Ireland. We also expanded our relationship with the Metropolitan Police and now provide security at such non-station locations as training and firearms centers.

Consolidation In a highly competitive business like ours, we must constantly work to find new ways to reduce costs. To that end, we consolidated three companies that we had acquired in the Republic of Ireland into a single entity, Carlisle Security Limited, Ireland. Two of the companies, Platinum Security Services and Delta Security Services, were acquired last year, while the third, Aegis, was purchased this year. The reorganized group offers such benefits as economies of scale, centralized offices and a streamlined management team.

Our principal clients include:

- Argos
- Bovis
- Cable-tel (NTL)
- Interserve
- JLL
- Merchant Ferries
- Railtrack
- Sea Containers
- SeaFrance
- Seaking Automotive
- Stena Line
- Tesco
- Thistle Hotels
- UniChem
- Wetherall Green & Smith
- WHSmith



Help Desk As a value-added service, we are now offering our clients a round-the-clock help desk through which we can contact any of the client's approved contractors. If, for example, an electrician is required to come on site after hours, our client can call the help desk and be assured that we will take on the job of contacting the contractor and monitoring the work on site.

CCTV To gain flexibility and reduce costs, many businesses are now moving towards a combination of manned guarding and closed circuit television monitoring (CCTV). As a result of the acquisition of MTL Commercial, we can now address this client need with our own stand-alone, state-of-the-art CCTV monitoring center in Liverpool. Our first such center, it has the capability to track upwards of 500 clients throughout England.

Express Alarm Response The police have become increasingly overwhelmed by the number of alarms they have to respond to. To address that issue, we introduced a proprietary service where we take the place of the police in answering certain alarms, reducing response time and easing the burden on the police.

Industry Regulations This year, for the first time, the British government enacted a law to help regulate the security business and promote a set of industry guidelines. The Private Security Industry Act, which received Royal assent in May 2001, will rein in the smaller concerns and benefit larger firms like ours that are already adhering to rigorous standards.

The newly passed legislation governing the British security industry will help large and well-organized companies like ours stand out from the competition.

Our services include:

- Alarm response and keyholding
- Bespoke closed circuit television systems
- Non-uniformed security officers
- Retail guarding
- Security receptionists
- Store detectives and test purchasing
- Uniformed mobile patrol officers
- Uniformed security officers
- 24-hour help desk

