



1.0 PURPOSE

This policy establishes requirements for classifying income and expenses from continuing operations (before taxes) as either Operating or Non-operating. This policy stipulates the types of income and expense items to be classified as Non-operating. All other income and expense items should be classified as Operating. Below is the specific question addressed in this Brink's Accounting Policy:

1. What types of income and expense should be recorded and reported as non-operating and therefore excluded from the determination of operating profit?

2.0 RELEVANT U.S. GAAP

2.1 U.S. GAAP Considered

We considered the guidance in SEC Regulation S-X Rule 5-03 which discusses the various line items which should appear on the face of the income statement.

3.0 BRINK'S ACCOUNTING POLICY

3.1 Summary of Policy

It is Brink's policy that all income and expense items specifically listed below shall be excluded from the determination of Operating Profit. In addition, it is also Brink's policy that non-operating income and expense items shall only include the items specifically mentioned below.

3.2 Non-operating income/expense items excluded from Operating Profit

1. Third party interest income – interest recognized from third parties (bank accounts, certificates of deposit, etc.) should be recorded in HFM 9100_20. The only exception is interest income from the Rabbi Trust which should be recorded in 9100_25 and should only be used by BCO.
2. Intercompany interest income - these amounts are subsequently eliminated in BCO consolidation. Amounts should be recorded in the HFM 9100 series of accounts based on the intercompany entity from which the interest is earned or received.
3. Third party interest expense – interest expense incurred to third parties (creditors, lessors, etc.) should be recorded in HFM 9150_20 (interest on 3rd party debt), HFM 9150_25 (interest on capital leases), 9150_30 (other types of 3rd party interest expense) or 9150_35 (amortization of debt issue costs). Interest expense related to the DTA bonds should be recorded in 9150_60 and should only be used by BCO.
4. Intercompany interest expense – these amounts are subsequently eliminated in BCO consolidation. Amounts should be recorded in the HFM 9150 series of accounts based on the intercompany entity to which the interest is owed or paid.



5. Dividend income - This excludes dividends on equity-method investments which are recorded as reductions (accounting credits) to the equity-method investment account in HFM 1500_30.

Amounts should be recorded in HFM 9050_10, including any taxes withheld.

6. Realized gains/losses on sales of available-for-sale or trading securities – amounts should be recorded in HFM 9050_105. Amounts related to the Rabbi Trust should be recorded in 9050_65 and should only be used by BCO.
7. Impairment losses on available-for-sale securities – amounts should be recorded in HFM 9050_105.
8. Gains/losses on derivatives which have not been designated as fair value or cash flow hedges – amounts should be recorded in HFM 9050_60.
9. Intercompany management fees/income and royalties – These amounts are subsequently eliminated in BCO consolidation. Amounts should be recorded in the HFM 9000 (management fee/income) or 9025 (subsidiary royalties) series.
10. BCO Management Allocation – these are intercompany charges for BCO services related to tax, treasury, legal, accounting, insurance and human resources matters as well as related oversight activities. These amounts should be recorded in HFM 9050_25.
11. Miscellaneous income and expense – it is Brink's policy that no amounts shall be reflected as miscellaneous non-operating income or expense. In order to record miscellaneous non-operating income or expense, you must obtain a policy exception.

If a policy exception is obtained, miscellaneous non-operating income and expense amounts should be recorded in HFM 9050_100.

4.0 EFFECTIVE DATE

This guidance is effective for the quarter beginning on July 1, 2011.



EXHIBIT A – LEDGER ACCOUNTS FOR NON-OPERATING INCOME / EXPENSE

Type of Non-Operating Income / Expense	HFM Account(s)	Proposed Chart of Accounts ^(a)
Third party interest income	9100_20 9100_25 (Rabbi Trust only)	71005 71010
Intercompany interest income	9100_10 (loan to BSI) 9100_40 (loan to BIHAG) 9100_45 (loan to BICV) 9100_50 (loan to other Brink's affiliates)	72000 72005 72010 72100
Third party interest expense	9150_20 (3 rd party debt) 9150_25 (capital leases) 9150_30 (other types of interest not specified) 9150_35 (amortization of debt issue costs) 9150_60 (DTA bonds)	73000 73010 73015 73020 73000
Intercompany interest expense	9150_10 (loan from BSI) 9150_40 (loan from BIHAG) 9150_45 (loan from BICV) 9150_50 (loan from other Brink's affiliates)	74000 74005 74010 74100
Dividend income	9050_10 (including taxes withheld)	72200
Realized gains/losses on available-for-sale or trading securities	9050_65 (Rabbi Trust only) 9050_105	75000 75200
Impairment of available-for-sale securities	9050_105	75200
Gain/loss on derivatives which have not been designated as hedges	9050_60	76230
Intercompany management fees/income	9000_10 (including taxes withheld)	60300
Intercompany royalties	9025_10 (including taxes withheld)	60400
BCO Management Allocation	9050_25	76800
Miscellaneous non-operating income/expense ^(b)	9050_100	76910

(a) refers to proposed standardized Chart of Accounts

(b) only used if Policy Exception is obtained