

Edgar Filing: BRINKS CO - Form 11-K

BRINKS CO  
Form 11-K  
June 29, 2006

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2005

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-9148  
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THE BRINK'S COMPANY 401(k) PLAN  
(Full title of the Plan)

THE BRINK'S COMPANY  
(Name of the issuer of securities held pursuant to the Plan)

P.O. BOX 18100  
1801 BAYBERRY COURT  
RICHMOND, VIRGINIA  
(Address of issuer's principal executive offices)

23226-8100  
(Zip Code)

THE BRINK'S COMPANY 401(k) PLAN  
Financial Statements and Schedules

December 31, 2005 and 2004

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(With Report of Independent Registered Public Accounting Firm)

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THE BRINK'S COMPANY 401(k) PLAN

Index to Financial Statements and Schedules

December 31, 2005 and 2004

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Other schedules not filed herewith are omitted because of the absence of conditions under which they are required to be filed.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM  
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The Pension Committee of the Board of Directors

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The Brink's Company:

We have audited the accompanying statements of assets available for benefits of The Brink's Company 401(k) plan (the "Plan") as of December 31, 2005 and 2004, and the related statement of changes in assets available for benefits for the year ended December 31, 2005. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets available for benefits of the Plan as of December 31, 2005 and 2004, and the changes in assets available for benefits for the year ended December 31, 2005 in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of assets (held at end of year) and reportable transactions are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Richmond, Virginia  
June 29, 2006

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## THE BRINK'S COMPANY 401(k) PLAN Statements of Assets Available for Benefits

(In thousands)	December 31,	
	2005	2004
Investments at fair value:		
The Brink's Company common stock	\$ 113,739	112,480
Mutual funds	160,299	130,922
Common trust fund	22,303	21,685

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Participant loans	16,815	15,157
Investments at contract value	59,673	52,769
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Total investments	372,829	333,013
Receivables:		
Participant contributions	1,389	1,598
Employer contributions	578	709
Interest	48	51
-----		
Total receivables	2,015	2,358
Cash and cash equivalents	347	75
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Assets available for benefits	\$ 375,191	335,446
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See accompanying notes to financial statements.

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THE BRINK'S COMPANY 401(k) PLAN  
Statement of Changes in Assets Available for Benefits

(In thousands)	Year Ended December 31, 2005	
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Income:		
Dividends	\$	8,273
Interest		814
Net appreciation in fair value of investments:		
Participant-directed		6,757
Nonparticipant-directed		20,311
-----		
Net appreciation		27,068
Contributions:		
Participant		24,379
Employer:		
Cash		578
The Brink's Company common stock		10,278
Rollover		1,956
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Total additions		73,346
Distributions to participants or beneficiaries		(33,601)
-----		
Net increase		39,745
Assets available for benefits:		
Beginning of year		335,446
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End of year	\$	375,191
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See accompanying notes to financial statements.

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## THE BRINK'S COMPANY 401(k) PLAN

### Notes to Financial Statements

December 31, 2005 and 2004

#### 1. Plan Information and Summary of Significant Accounting Policies

##### Description of Plan

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The Brink's Company 401(k) Plan (the "Plan") is a voluntary defined contribution plan sponsored by The Brink's Company and participating subsidiaries (the "Company"). During 2004 and 2005, full-time employees of the Company who are not members of a collective bargaining unit (unless the collective bargaining agreement provides specifically for and the Administrative Committee has approved participation) were eligible to participate and were automatically enrolled on the first day of the month following thirty days of full time service. Effective January 1, 2006, the Plan was amended such that automatic enrollment for those who are eligible occurs immediately following thirty days of full time service. During 2005 and 2004, Company matching contributions commenced to participants once they had completed six months of service. Effective January 1, 2006, the Plan was amended such that Company matching contributions commence upon enrollment. The Plan is subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

The following is a general description of certain provisions of the Plan. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

##### Withdrawals

The Plan generally requires that pretax savings remain in the Plan while the participant is actively employed. However, the Plan allows two exceptions:

- (a) If the participant is age 59 1/2 or older, he or she may withdraw all or a portion of his or her pretax contributions. After each of these withdrawals, employer matching contributions are suspended for six months.
- (b) If the participant has a "financial hardship" (as that term is defined by Internal Revenue Service ("IRS") guidelines) it is possible to withdraw all or a portion of his or her pretax contributions in the Plan up to the amount needed to satisfy the hardship, regardless of age. During 2005, after each hardship withdrawal, employee pretax contributions were suspended for twelve months. Effective January 1, 2006, the Plan was amended such that after each hardship withdrawal, employee pretax contributions are suspended for six months.

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A participant may withdraw the following at any time without being suspended from the Plan in the following order:

- (a) All or a portion of after-tax contributions;
- (b) All or a portion of earnings attributable to after-tax contributions;
- (c) All or a portion of Company matching contributions in respect to after-tax contributions made prior to January 1, 1985;

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- (d) Any rollover contributions.

Certain withdrawals of vested Company matching contributions made after December 31, 1984 require the employer to suspend making matching contributions on behalf of the participant for a period of six months.

### Vesting Schedule

A participant is 100% vested in the value of his or her pretax contributions. Vesting in the Company matching contributions is based on years of service. Vesting in the Company matching contributions during 2005 and 2004 was based on years of service as follows:

Less than 2 years	0%
2 but less than 3 years	20%
3 but less than 4 years	50%
4 but less than 5 years	75%
5 or more years	100%

If a participant ends his or her employment with the Company and is subsequently rehired, his or her prior service with the Company is counted for vesting purposes. Once a participant reaches normal retirement age, he or she is 100% vested in Company matching contributions regardless of years of service.

Forfeitures by the participants of the unvested portion of their account upon termination of employment with the Company are used to reduce future matching contributions of the Company to the Plan. Forfeitures reduced employer contributions by \$1,121,000 in 2005. Employer contributions receivable are net of forfeitures of \$98,000 and \$102,000 at December 31, 2005 and 2004, respectively.

### Plan Termination

Although it has not expressed any intent to do so, the Company reserves the right to amend, suspend, or discontinue the Plan in whole or in part at any time by action of the Company's Board of Directors, subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

### Basis of Presentation

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The accompanying financial statements have been prepared on the accrual basis of accounting and present assets available for benefits and changes in those assets available for benefits.

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### Investments and Investment Income

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The fair value of common stock, mutual fund investments and common trust fund investments is determined by using quoted market prices. The contract value (contributions made plus interest accrued at the contract rate less withdrawals and fees) of certain investments approximates fair value. Participant loans are valued at cost, which approximates fair value. The cost of securities sold is determined principally on the basis of average cost at the time of sale. Purchases and sales of securities are recorded on a trade-date basis. Dividend income is recorded on the ex-dividend date, and interest income is recorded on the accrual basis.

### Use of Estimates

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In accordance with U.S. generally accepted accounting principles, management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements. Actual results could differ materially from those estimates.

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### Benefit Payments

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Benefits to participants or beneficiaries are recorded when paid.

### Risks and Uncertainties

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The Plan provides for various investment options that may be exposed to various risks, such as interest rate risk, credit risk and overall market volatility. Because of this, values of investment securities are expected to be volatile which could adversely affect participants' account balances and the amounts reported in the statement of assets available for benefits.

## 2. Participant Loans

Participants can borrow, in exchange for a promissory note, up to the lesser of \$50,000 less the highest outstanding loan during the previous 12 months or 50% of their aggregate vested account balance in the Plan, including rollovers, subject to certain maximum limits designated by the IRS. Each note is secured by a pledge of the participant account balance in the Plan to the extent of the unpaid balance. Repayments are generally made through level monthly payroll deductions. The term of a loan cannot exceed four and a half years for general purpose loans and fifteen years for principal residence loans. The interest rate charged on a participant loan is fixed for the duration of the loan at one percentage point above the prime rate as published in the Wall Street Journal at the inception of the loan. Interest paid by the participant is credited to the participant's account.

## 3. Contributions

Employee Contributions

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During 2005, each participant could designate a contribution of up to the lesser of \$14,000 or 30% of pretax earnings. For purposes of determining Plan contributions, pretax earnings are defined as regular pay including commissions and certain bonuses, but excluding overtime, premium pay and allowances. Amounts contributed are subject to limitations under IRS non-discrimination tests. Employee contributions may be divided among investment funds in multiples of 1% based upon the participant's election. Participants have the option to change their contribution percentages during each pay period.

Participants who reached the age of 50 on or prior to December 31, 2005 were eligible to make additional pretax catch-up contributions during 2005. Catch-up contributions in 2005 were limited to the lesser of \$4,000 or 45% of eligible pay. Catch-up contributions are scheduled to increase to \$5,000 in 2006. After 2006, the limit will be adjusted for inflation.

Participant contributions to the Plan may be invested in one of several investment funds managed by an affiliate of T. Rowe Price Trust Company ("T. Rowe Price") and two other fund alternatives not managed by the affiliate. Prior to September 2002, participant contributions could be invested in The Brink's Company common stock. After September 2002, no participant contributions could be directed into The Brink's Company common stock; however, existing participant-directed balances in The Brink's Company common stock were eligible to remain in The Brink's Company common stock. Any remaining investment in The Brink's Company common stock at December 31, 2007 will be sold and reinvested in the same manner as Employee Contributions.

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### Employer Contributions

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Employer matching contributions in 2005 were in the form of The Brink's Company common stock. In 2005, the Company matched 75% of participant contributions up to the first 5% of pretax earnings contributed. Participants may transfer their matching contributions in The Brink's Company common stock to other investment options when the matching contributions vest. Effective January 1, 2006, the Plan was amended such that the Company will match 125% of participant contributions up to the first 5% of pretax earnings contributed. Matching contributions are no longer made in the form of The Brink's Company common stock, but are made in cash and allocated to investment funds in the same manner as Employee Contributions.

#### 4. Distributions

Upon leaving the Company for any reason and after a formal disbursement request is made by the participant, the full fair value of an employee's contributions and related investment income and all vested Company matching contributions and related investment income will be distributed in cash, except payouts from The Brink's Company stock fund which will be made in shares unless cash payment is specifically requested. The value of any fractional shares will be distributed in cash. The Plan requires that vested balances less than \$5,000 at the date of termination are to be distributed from the Plan.



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If a participant's employment with the Company terminates and he or she has a vested account balance of more than \$5,000, he or she may elect to leave all of his or her contributions and related investment income and the vested portion of Company contributions and related investment income in the Plan. Participants who retire on or before their normal retirement date may elect to defer distribution until age 70 1/2. Participants who work beyond age 70 1/2, may defer distribution until they retire.

### 5. Related Party Transactions

Certain Plan investments are shares of mutual funds, common trusts, and investment contracts managed by T. Rowe Price, the Trustee. Additionally, the Plan invests in shares of The Brink's Company common stock. Such transactions are deemed to be party-in-interest transactions of the Plan as are all participant loans.

The Plan's investments in The Brink's Company common stock at December 31, 2005 and 2004, and purchases and sales during 2005, are as follows:

(in thousands, except share amounts)	Shares	Fair Value	Cost
Shares held at December 31, 2004	2,846,155	\$ 112,480	60,972
Purchases	337,282	12,482	12,482
Sales	(809,427)	(32,342)	(17,939)
Net appreciation	-	21,119	-
Shares held at December 31, 2005	2,374,010	\$ 113,739	55,515

### 6. Federal Income Taxes

The Internal Revenue Service has determined and informed the Company by a letter dated July 2, 2003, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the Company and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

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### 7. Investments

During 2005, the Plan's investments (including investments bought, sold and held during the year) appreciated in value as follows:

Year Ended December 31,  
2005

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(In thousands)

Net appreciation of investments at fair value as determined by quoted market prices:

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The Brink's Company common stock	\$	21,119
Mutual funds		4,936
Common trust funds		1,013
		-----
	\$	27,068
=====		

In 2005 and 2004, participants had the option to invest in the T. Rowe Price Stable Value Common Trust Fund (the "Stable Value Fund"), which generally invests in money market funds, short-term investments and benefit-responsive investment contracts, including synthetic investment contracts, issued by banks, insurance companies and other high-quality issuers. The Stable Value Fund seeks to maintain a constant net asset value and, as a result, allows participants to withdraw all or a portion of their investment at contract value. The investment contracts held by the Stable Value Fund are nontransferable, but provide for these benefit-responsive withdrawals by Plan participants at the contract value.

The Stable Value Fund is presented in the financial statements at contract value, as reported to the Plan by the Trustee. If an event occurs that may impair the ability of the contract issuer to perform in accordance with the contract terms, fair value may be less than contract value.

The investments in the Stable Value Fund may have fixed rates of interest for fixed periods of time, or may have rates of interest that vary during the contract period based on the contract issuer's investment experience or on another formula applicable under the contract. The average yield on investments held by the Stable Value Fund was approximately 4.5% at December 31, 2005 and 2004. Maturities of the investment contracts held by the Stable Value Fund at December 31, 2005 ranged from 2006 to 2035. Crediting interest rates on investments held by the Stable Value Fund ranged from 0% to 9% as of December 31, 2005.

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Investments at fair value or contract value which represent 5% or more of the assets available for benefits at December 31 are as follows:

	December 31,	
	2005	2004
-----		
(In thousands)		
The Brink's Company common stock:		
Matching contributions (see notes 3 and 8)	\$ 109,395	107,872
Employee contributions (see note 3)	4,344	4,608
	-----	-----
	113,739	112,480
T. Rowe Price Stable Value Common Trust Fund	59,673	52,769
T. Rowe Price Personal Strategy Balanced Fund	37,755	30,882
T. Rowe Price Blue Chip Growth Fund	22,934	21,671
T. Rowe Price Equity Index Trust	22,303	21,685
T. Rowe Price New Horizons Fund	22,038	19,392
	-----	-----

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8. Nonparticipant-Directed Investments

In September 2002, the Plan was amended to allow participants to diversify their vested matching contribution investments in The Brink's Company common stock. As a result, the vested portion of the matching contribution investment in The Brink's Company common stock is considered participant-directed; however, since changes in the components of vested and unvested matching contribution investments cannot be separately determined, all vested and unvested matching contribution investments in The Brink's Company common stock are disclosed as nonparticipant-directed in the financial statements.

Information about the assets available for benefits and changes in assets available for benefits relating to the nonparticipant-directed investments is as follows:

Nonparticipant-directed Investments	December 31,	
	2005	2004
-----		
(In thousands)		
Assets available for benefits:		
The Brink's Company common stock:		
Vested matching contributions	\$ 101,590	100,033
Unvested matching contributions	7,805	7,839
-----		
	109,395	107,872
-----		
Employer contributions receivable to nonparticipant-directed accounts	-	709
-----		
	\$ 109,395	108,581
=====		

Nonparticipant-directed investments (continued)	Year Ended December 31,	
	2005	
-----		
(In thousands)		
Changes in assets available for benefits:		
Contributions to nonparticipant-directed accounts	\$ 10,278	
Dividends	257	
Net appreciation	20,311	
Distributions to participants or beneficiaries	(9,424)	
Transfers to participant-directed investments	(20,608)	
-----		
	\$ 814	
=====		

9. Reconciliation to Form 5500

Assets available for benefits in the Form 5500 for the Plan reflects a reduction in assets for deemed distributions of certain participant

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loans. The accompanying financial statements do not include the reduction for deemed distributions as the participants to which deemed distributions relate continue to retain their assets within the Plan.

The following reconciles assets available for benefits and benefits paid to participants or beneficiaries from the Form 5500 to the Plan financial statements:

	December 31,	
	2005	2004
-----		
	(In thousands)	
Assets available for benefits per the Form 5500	\$ 75,077	335,329
Cumulative deemed distributions	114	117
-----		
Assets available for benefits per the Statements of Assets Available for Benefits	\$ 75,191	335,446
=====		

	Year Ended December 31,	
	2005	
-----		
	(In thousands)	
Distributions to participants or beneficiaries per the Form 5500	\$ 33,604	
Change in the amount of deemed distributions		3
Benefits payable to participants at end of year		(6)
-----		
Distributions to participants or beneficiaries per the Statement of Changes in Assets Available for Benefits		\$ 33,601
=====		

10. Subsequent Events

Effective January 31, 2006, the Company finalized the sale of BAX Global, Inc. (BAX), a wholly owned subsidiary of the Company. Accordingly, contributions to BAX employees' participant accounts ceased as of December 31, 2005. BAX employees' participant accounts totaling \$125.9 million as of December 31, 2005 were transferred out of the Plan on March 8, 2006.

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Schedule H, Line 4i, Schedule of Assets (Held at End of Year)  
December 31, 2005  
(In thousands, except share amounts)

Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(n
*The Brink's Company	2,374,010 shares of The Brink's Company common stock; \$1 par value	
ING Investments, LLC	605,650 shares in the ING International Value Fund	
Lord Abbett	227,651 shares in Lord Abbett Mid Cap Value Fund	
*T. Rowe Price	59,673,129 shares in the Stable Value Common Trust Fund	
*T. Rowe Price	647,955 shares in the Spectrum Income Fund	
*T. Rowe Price	483,317 shares in the Equity Income Fund	
*T. Rowe Price	622,801 shares in the Equity Index Trust	
*T. Rowe Price	411,187 shares in the Small Cap Value Fund	
*T. Rowe Price	694,319 shares in the New Horizons Fund	
*T. Rowe Price	336,673 shares in the Personal Strategy Income Fund	
*T. Rowe Price	2,011,453 shares in the Personal Strategy Balanced Fund	
*T. Rowe Price	483,917 shares in the Personal Strategy Growth Fund	
*T. Rowe Price	185,746 shares in the Mid-Cap Growth Fund	
*T. Rowe Price	701,780 shares in the Blue Chip Growth Fund	
*Participant	Loans Participant loans at interest rates ranging from 5% to 10.5%, maturities not to exceed 4.5 years for general purpose and 15 years for principal residence	

The cost of participant-directed investments is not required.

\*Indicates a party-in-interest investment.

See accompanying Report of Independent Registered Public Accounting Firm.

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THE BRINK'S COMPANY 401(k) PLAN  
 Schedule H, Line 4j, Schedule of Reportable Transactions  
 For the Year Ended December 31, 2005  
 (In thousands, except number of purchase and sale amounts)

Identity of party involved	Description of asset (include interest rate and maturity in case of a loan)	Purchase Price	Selling Price	Lease Rental	Expense incurred with Transaction
*The Brink's Company	The Brink's Company Common Stock 27 Purchases	\$ 12,471	N/A	N/A	N/A
*The Brink's Company	The Brink's Company Common Stock 226 Sales	N/A	\$ 31,259	N/A	N/A

Transactions under an individual account plan that a participant or beneficiary directed with respect to assets allocated to his or her account are not treated for purposes of line 4j as reportable transactions. Transactions listed represent a series of transactions in a security of the same issue in excess of 5% of the plan market value as of December 31, 2004.

\* Indicates a party-in-interest investment.

See accompanying Report of Independent Registered Public Accounting Firm.

EXHIBIT INDEX

Exhibit Number	Description
23	Consent of Independent Registered Public Accounting Firm

SIGNATURE

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Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

The Brink's Company 401(k) Plan

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(Name of Plan)

/s/ Frank T. Lennon

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(Frank T. Lennon  
Vice President and Chief  
Administrative Officer)

Date: June 29, 2006