

**AccuRead Limited**

**Annual report**

**for the year ended 31 December 2000**

Registered number: 3076187



# **AccuRead Limited**

## **Annual report for the year ended 31 December 2000**

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**Directors' report  
for the year ended 31 December 2000**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2000.

**Principal activities**

The principal activity of the company during the year was the provision of meter reading services.

**Review of business and future developments**

The directors will continue to seek opportunities to expand the customer base of the company and to generate additional income from new meter reading contracts and related activities.

**Results and dividends**

The results for the year are set out in the profit and loss account on page 5.

No interim dividend has been paid during the year (1999: £21m). No final dividend is proposed (1999: £nil). The amount transferred from reserves is set out in the profit and loss account on page 5.

**Directors and their interests**

The directors of the company during the year ended 31 December 2000 were:

Sir Peter Parker

J A Harrower

B P Murphy

B A Wallin

S R Brown

C Bolt

(Appointed 16 November 2000)

R Foley

(Resigned 9 March 2000)

L Ottery

(Resigned 9 March 2000)

S Barney

(Resigned 4 July 2000)

S Ross

(Resigned 16 November 2000)

The directors have no interests in the share capital of the company according to the register maintained by the company under Section 325 of the Companies Act 1985.

## **Directors' report for the year ended 31 December 2000 (continued)**

### **Directors and their interests (continued)**

The directors have the following share options in the ultimate parent company, Group 4 Falck A/S, a company registered with the Danish Commerce and Companies Agency.

	Options as at 1 January 2000	Options granted	Options as at 31 December 2000
J A Harrower	0	2,804	2,804
S R Brown	0	2,120	2,120
Anders Wallin	0	1,131	1,131

None of the directors above exercised share options during the year.

### **European Monetary Union**

The directors are aware of the implications of the European Monetary Union, and the costs associated with this are not expected to be significant.

### **Disabled persons**

It is company policy to give full and fair consideration to applications for employment made by disabled persons, having regard to the particular abilities and aptitudes of each applicant and to the requirements of the vacancies available. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company to ensure that the training, career development and promotion of a disabled person, should, as far as possible, be identical to that of a person who does not suffer from a disability.

### **Employee involvement**

During the period the company has maintained its obligations to develop and improve arrangements aimed at involving employees in its affairs. Methods of communication used include an in-house newsletter, bulletins and management briefings.

### **Charitable and political donations**

No donations were made for charitable or political purposes.

### **Auditors**

PricewaterhouseCoopers have signified their willingness to continue in office as auditors and a resolution to reappoint them and to authorise the directors to agree their remuneration will be proposed at the Annual General Meeting.


**Directors' report  
for the year ended 31 December 2000 (continued)****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 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 applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business for the foreseeable future.

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 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.

**On behalf of the Board**



**J A Harrower**  
**Director**  
23 July 2001

## Auditors' report to the members of AccuRead Limited

We have audited the financial statements on pages 5 to 17 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom 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 United Kingdom 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.

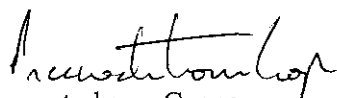
### Basis of audit opinion

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 31 December 2000 and of its loss and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
Birmingham  
23 July 2001

**Profit and loss account  
for the year ended 31 December 2000**

	Note	Year ended 31 December 2000 £'000	Year ended 31 December 1999 £'000
<b>Turnover – continuing operations</b>	2	47,454	63,178
Cost of sales		<u>(39,125)</u>	<u>(39,860)</u>
<b>Gross profit</b>		8,329	23,318
Administrative expenses		<u>(9,154)</u>	<u>(10,777)</u>
<b>Operating (loss)/profit – continuing operations</b>	3	(825)	12,541
Interest receivable and similar income	6	<u>324</u>	<u>658</u>
<b>(Loss)/profit on ordinary activities before taxation</b>		(501)	13,199
Tax on profit/(loss) on ordinary activities	7	<u>(314)</u>	<u>(4,003)</u>
<b>(Loss)/profit for the financial period</b>		(815)	9,196
Dividends	8	-	(21,000)
<b>Amount transferred from reserves</b>	14	<u>(815)</u>	<u>(11,804)</u>

The company has no recognised gains and losses other than the loss above and therefore no separate statement of total recognised gains and losses has been presented.


There is no difference between the loss on ordinary activities before taxation and the amount transferred from reserves for the year stated above and their historical cost equivalents.

The movements on reserves are shown in note 14 to the financial statements.

**Balance sheet as at 31 December 2000**

	Note	31 December 2000 £'000	31 December 1999 £'000
<b>Fixed assets</b>			
Tangible assets	9	<u>1,568</u>	<u>880</u>
<b>Current assets</b>			
Debtors	10	7,376	10,646
Cash at bank and in hand		<u>6,868</u>	<u>6,805</u>
		<b>14,244</b>	<b>17,451</b>
<b>Creditors: Amounts falling due within one year</b>	11	<b>(10,051)</b>	<b>(11,755)</b>
<b>Net current assets</b>		<u><b>4,193</b></u>	<u><b>5,696</b></u>
<b>Total assets less current liabilities</b>		<u><b>5,761</b></u>	<u><b>6,576</b></u>
 <b>Capital and reserves</b>			
Called up share capital	13	<b>100</b>	100
Profit and loss account	14	<u><b>5,661</b></u>	<u>6,476</u>
<b>Equity shareholders' funds</b>		<u><b>5,761</b></u>	<u><b>6,576</b></u>

The financial statements on pages 5 to 17 were approved by the board of directors on 23 July 2001 and were signed on its behalf by:

  
 J A Harrower  
 Director

# Reconciliation of movements in equity shareholders' funds for the year ended 31 December 2000

	Year ended 31 December 2000 £'000	Year ended 31 December 1999 £'000
(Loss) / profit for the financial period	(815)	9,196
Dividends	0	(21,000)
<b>Net reduction to equity shareholders' funds</b>	<b>(815)</b>	<b>(11,804)</b>
Equity shareholders' funds as at 1 January	6,576	18,380
<b>Equity shareholders' funds at 31 December</b>	<b>5,761</b>	<b>6,576</b>

# Cash flow statement for the year ended 31 December 2000

	Note	Year ended 31 December 2000 £'000	Year ended 31 December 1999 £'000
Net cash inflow from operating activities	15	3,078	10,096
<b>Returns on investment and servicing of finance</b>			
Interest received		327	694
Net cash inflow from returns on investments and servicing of finance		327	694
<b>Taxation</b>		(1,838)	(6,542)
<b>Capital expenditure</b>			
Purchase of tangible fixed assets		(1,504)	(939)
Net cash outflow for capital expenditure		(1,504)	(939)
<b>Equity dividends paid to shareholders</b>		0	(21,000)
Net cash inflow/(outflow) before use of liquid resources and financing		63	(17,691)
<b>Management of liquid resources</b>			
Reduction in money market deposits with banks		6,000	12,180
			12,180
<b>Increase/(Decrease) in net cash</b>	16	6,063	(5,511)

## Reconciliation of net cash flow to movement in net funds

	2000 £'000	1999 £'000
Increase/(decrease) in cash in the period	6,063	(5,511)
Movements in deposits	(6,000)	(12,180)
Movements in net funds in the period	63	(17,691)
Net funds at 1 January	6,805	24,496
<b>Net funds at 31 December</b>	<b>6,868</b>	<b>6,805</b>

**Notes to the financial statements  
for the year ended 31 December 2000****1 Accounting policies****Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with applicable UK accounting and financial reporting standards.

**Turnover**

Turnover represents the value of work done and services rendered, excluding sales related taxes.

**Pensions**

The cost of providing retirement pensions and related benefits is charged against profits over the periods which benefit from the employees' services.

**Deferred taxation**

Provision is made and assets recorded, under the liability method in respect of those timing differences which are expected to reverse in the foreseeable future.

**Tangible fixed assets**

Tangible fixed assets are included in the balance sheet at cost. Provision for depreciation is calculated so as to write off the cost of tangible fixed assets less estimated residual value on a straight line method over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Short leasehold property	Period of lease
Plant and equipment	10%-100%

**Operating leases**

Payments under operating leases are charged against profits in the period that the payments accrue.

**2 Turnover**

Turnover arose from a single class of business originating in the United Kingdom.

# Notes to the financial statements for the year ended 31 December 2000 (continued)

## 3 Operating profit

	Year ended 31 December 2000 £'000	Year ended 31 December 1999 £'000
<b>Operating profit is stated after charging:</b>		
Depreciation of tangible fixed assets	816	1,184
Operating lease charges		
Land and buildings	129	95
Plant and machinery	2,796	4,258
<b>Auditors remuneration:</b>		
Audit services	21	22
Non-audit services	3	3
	<hr/>	<hr/>

The result for the period ended 31 December 2000 was adversely affected by exceptional staff costs of £1,740,000 and the write off of a loan to Group 4 Utility Services Limited £1,521,000.

## 4 Employee information

	Year ended 31 December 2000 £'000	Year ended 31 December 1999 £'000
<b>Staff costs:</b>		
Wages and salaries	18,645	19,969
Social security costs	1,691	1,810
Other pension costs	1,316	1,584
	<hr/>	<hr/>
	21,652	23,363

The average monthly number of persons (including executive directors) employed by the company during the year was:

	Number	Number
Direct	980	1,032
Indirect and administration	106	128
	<hr/>	<hr/>
	1,086	1,160

# Notes to the financial statements for the year ended 31 December 2000 (continued)

## 5 Directors' emoluments

The costs in respect of directors' remuneration other than the Managing Director are borne by other group companies and are not recharged to the company. The disclosure merely reflects the value of their estimated time spent on Company affairs.

	Year ended 31 December 2000	Year ended 31 December 1999
	£'000	£'000
Aggregate emoluments	255	201
Compensation for loss of office	180	-
Aggregate amounts receivable under long term incentive schemes	40	45

Emoluments payable to the highest paid director are as follows:

	Year ended 31 December 2000	Year ended 31 December 1999
	£'000	£'000
Aggregate emoluments	131	163
Compensation for loss of office	180	-
Aggregate amounts receivable under long term incentive schemes	33	42

Three of the directors of the company are accruing pension benefits as members of the group defined benefit pension scheme (1999: three). No contributions were paid to defined contribution pension schemes for the directors of the company in respect of qualifying services in the period.

## 6 Interest receivable and similar income

	Year ended 31 December 2000	Year ended 31 December 1999
	£'000	£'000
Interest receivable: Third parties	324	658

## 7 Taxation on profit on ordinary activities

	Year ended 31 December 2000	Year ended 31 December 1999
	£'000	£'000
Taxation on the profit for the year		
UK Corporation tax at 30% (1999: 30.25%)	245	4,003
Deferred tax (note 12)	69	-
	314	4,003

# Notes to the financial statements for the year ended 31 December 2000 (continued)

## 8 Dividends

	Year ended 31 December 2000 £'000	Year ended 31 December 1999 £'000
<b>Equity – Ordinary</b>		
Interim dividend £nil (1999: £210 per share). Final dividend £nil (1999: £nil)	-	21,000

## 9 Tangible fixed assets

	Short Leasehold Property £'000	Plant And Equipment £'000	Total £'000
<b>Cost</b>			
At 1 January 2000	114	4,016	4,130
Additions	1	1,503	1,504
Disposals	0	(941)	(941)
<b>At 31 December 2000</b>	<b>115</b>	<b>4,578</b>	<b>4,693</b>
<b>Depreciation</b>			
At 1 January 2000	68	3,182	3,250
Charge for the year	26	790	816
Disposals	0	(941)	(941)
<b>At 31 December 2000</b>	<b>94</b>	<b>3,031</b>	<b>3,125</b>
<b>Net book value</b>			
<b>At 31 December 2000</b>	<b>21</b>	<b>1,547</b>	<b>1,568</b>
At 31 December 1999	46	834	880

## 10 Debtors

	31 December 2000 £'000	31 December 1999 £'000
Amounts owed by group undertakings	39	1,607
Trade debtors	6,342	7,814
Other debtors	2	5
Prepayments and accrued income	993	1,220
	<b>7,376</b>	<b>10,646</b>

**Notes to the financial statements  
for the year ended 31 December 2000 (continued)**

**11 Creditors: Amounts falling due within one year**

	31 December 2000 £'000	31 December 1999 £'000
Trade creditors	3,018	1,351
Amount owed to group undertakings	7	335
Corporation tax	1,713	3,304
Other taxation and social security	426	522
Other creditors	1,505	3,377
Accruals and deferred income	3,382	2,866
	<u>10,051</u>	<u>11,755</u>

All of the amounts above are unsecured. None of the company's assets bear charges or have been used as security for the liabilities of the company or any other party.

**12 Deferred taxation**

	£'000
As at 1 January 2000	(75)
Charged to profit and loss account	69
As at 31 December 2000	<u>(6)</u>

The asset recorded in the accounts and full potential deferred taxation asset calculated at 30% (1999 : 30%) are as follows:

	Assets Recorded 2000 £'000	Full Potential 2000 £'000	Assets Recorded 1999 £'000	Full Potential 1999 £'000
Accelerated capital allowances	-	(259)	-	(342)
Other timing differences	(6)	(78)	(75)	(90)
	<u>(6)</u>	<u>(337)</u>	<u>(75)</u>	<u>(432)</u>

**Notes to the financial statements  
for the year ended 31 December 2000 (continued)**

**13 Share capital**

	31 December 2000 £'000	31 December 1999 £'000
<b>Authorised, allotted, issued and fully paid:</b>		
100,000 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

The authorised and issued share capital consists of 49,000 'A' ordinary shares held by GB Gas Holdings Limited, a wholly owned subsidiary of Centrica plc, and 51,000 'B' ordinary shares held by Group 4 Falck Utility Services Limited. 'A' and 'B' ordinary shares rank equally with regard to voting and dividend rights and entitlement in the event that the company is wound up.

**14 Reserves**

	Profit and loss account £'000
As at 1 January 2000	6,476
Amount transferred from reserves for the year	(815)
<b>As at 31 December 2000</b>	<u><b>5,661</b></u>

**15 Reconciliation of operating profit to net cash inflow from operating activities**

	Year ended 31 December 2000 £'000	Year ended 31 December 1999 £'000
Operating (loss)/profit	(825)	12,541
Depreciation charge	816	1,184
Decrease/(increase) in debtors	3,200	(1,927)
Decrease in creditors	(113)	(1,702)
<b>Net cash inflow from operating activities</b>	<u><b>3,078</b></u>	<u><b>10,096</b></u>

**Notes to the financial statements  
for the year ended 31 December 2000 (continued)**

**16 Analysis of changes in net funds**

	As at 1 January 2000 £'000	Cash Flows £'000	As at 31 December 2000 £'000
Cash at bank and in hand	6,805	63	6,868
	<u>6,805</u>	<u>63</u>	<u>6,868</u>

**17 Pension arrangements**

The company participates in a group funded defined benefit scheme operated by Group 4 in the United Kingdom. The assets of the scheme are held separately from the assets of the company or group.

The latest actuarial valuation of the scheme was carried out as at 31 March 2000. Details of the latest actuarial valuation of this pension scheme are contained in the financial statements of Group 4 Falck Global Solutions Limited. The next actuarial valuation is due as on 31 March 2002.

The total pension costs charged in the profit and loss account for the year ended 31 December 2000 were £1,316,000 (1999: £1,584,000).

**18 Capital commitments**

	2000 £'000	1999 £'000
Contracted but not provided for in the accounts	<u>365</u>	<u>509</u>

## Notes to the financial statements for the year ended 31 December 2000 (continued)

### 19 Financial commitments

At 31 December 2000, the company had annual commitments under non-cancellable operating leases expiring as follows:

	Land and buildings £'000	2000 Other £'000	Land and buildings £'000	1999 Other £'000
Within one year	-	1,170	-	2,224
Between two and five years	-	50	-	151
More than five years	129	-	91	-
	<u>129</u>	<u>1,220</u>	<u>91</u>	<u>2,375</u>

### 20 Related party transactions

During the year to 31 December 2000 the company entered into the following transactions and recorded the following balances with related parties:

Related party	Description of transaction	Income/ (expenditure) £'000	2000 Balance receivable/ (payable) £'000	Income/ (expenditure) £'000	1999 Balance receivable/ (payable) £'000
Centrica plc (and subsidiaries thereof)	Meter reading services	32,214	2,660	50,485	5,575
Group 4 Securitas (Int'l) BV	Business support services	-	-	(1,263)	(323)
Group 4 Falck Utility Services	Loan written off during the year	(1,521)	-	-	(1,521)
Group 4 Securitas NV (and subsidiaries thereof)	Management and Administrative services	<u>(596)</u>	<u>(100)</u>	<u>(507)</u>	<u>(42)</u>

**Notes to the financial statements  
for the year ended 31 December 2000 (continued)****21 Ultimate parent undertaking**

The company is a joint venture between GB Gas Holdings Limited, a wholly-owned subsidiary of Centrica plc, and Group 4 Falck Utility Services Limited, a wholly owned subsidiary of Group 4 Falck Global Solutions Limited (formerly Group 4 Securitas (UK) Limited.). Group 4 Falck Utility Services Limited is incorporated in England and Wales and holds 51% of the issued share capital of the company, the remaining 49% of the issued share capital is held by GB Gas Holdings Limited.

The ultimate parent company is Group 4 Falck A/S, a company incorporated in Denmark. It is the parent company of both the largest and smallest group of undertakings for which consolidated financial statements are available.

Copies of the Group 4 Falck A/S financial statements can be obtained from The Company Secretary, Politortvet, DK-1780 Copenhagen V, Denmark.