

AccuRead Limited

Annual report and financial statements
for the year ended 31 December 2006

Registered number 3076187



AccuRead Limited

Annual report and financial statements for the year ended 31 December 2006

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AccuRead Limited

Directors' report for the year ended 31 December 2006

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2006

Principal activities

The principal activity of the company during the year was the provision of meter reading and data processing 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

A dividend of £5,000,000 was paid during the year (2005 £4,650,000) The amount transferred to reserves is set out in the profit and loss account on page 4

Directors and their interests

The directors of the company during the year, and subsequently, were

A D Banks	
P Lavin	(appointed 24 October 2006)
C Elliott	
A D Jones	
S Major	
M Murray	(appointed 3 April 2007)
B A Wallin	(resigned 12 January 2007)

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

The company is exempt from disclosing interests of the directors and their families in the share capital of the ultimate parent company, De Facto 1119 Limited by virtue of the Companies (Disclosure of Directors Interest) (Exemptions) Regulations (SI 1985 no 802) Any interests are disclosed in the financial statements of De Facto 1119 Limited which are publicly available (note 20)

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

AccuRead Limited

Directors' report for the year ended 31 December 2006 (continued)

Key performance indicators

Key performance indicators regarding the development, performance and position of the business are included within the Financial Review of the immediate parent undertakings' consolidated financial statements (see note 20)

Financial risk management

The directors have not disclosed the company's financial risk management objectives and policies along with the company's exposure to price risk, credit risk, liquidity risk and cash flow risk as such information is not considered to have a significant impact on the assessment of the company's assets, liabilities, financial position, profit after taxation and profit for the financial year

Employee involvement

During the year 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 (2005 £nil)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgments and estimates have been made in preparing the financial statements for the year ended 31 December 2006 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

Statement of disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are individually aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he/she ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AccuRead Limited

Directors' report for the year ended 31 December 2006 (continued)

Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting

On behalf of the Board,

A handwritten signature in black ink, appearing to read 'C Elliott', with a stylized flourish at the end.

C Elliott
Director
4 May 2007

Independent auditors' report to the members of AccuRead Limited

We have audited the financial statements of AccuRead Limited for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

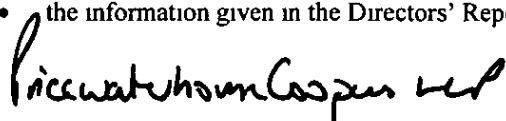
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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 have been properly prepared in accordance with the Companies Act 1985,
- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended, and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham
4 May 2007

AccuRead Limited

Profit and loss account for the year ended 31 December 2006

	Note	2006 £'000	2005 £'000
Turnover	2	69,262	61,477
Cost of sales		(53,069)	(47,718)
Gross profit		16,193	13,759
Administrative expenses		(9,239)	(7,786)
Operating profit	3	6,954	5,973
Interest receivable and similar income	6	407	153
Profit on ordinary activities before taxation		7,361	6,126
Tax on profit on ordinary activities	7	(2,082)	(1,823)
Profit for the financial year		5,279	4,303
Dividends	8	(5,000)	(4,650)
Retained profit/(loss) for the financial year	14	279	(347)

All of the above activities relate to continuing activities

There is no difference between the profit for the financial year and the total recognised gains and losses relating to the year

There is no difference between the profit for the year as shown in the profit and loss account and its historical cost equivalent

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Balance sheet as at 31 December 2006

	Note	2006 £'000	2005 £'000
Fixed assets			
Tangible fixed assets	9	1,277	872
Current assets			
Debtors	10	11,138	8,564
Cash at bank and in hand		5,683	6,053
		16,821	14,617
Creditors amounts falling due within one year	12	(11,194)	(8,864)
Net current assets		5,627	5,753
Net assets		6,904	6,625
Capital and reserves			
Called up share capital	13	100	100
Profit and loss account	14	6,804	6,525
Equity shareholder's funds		6,904	6,625

The notes on pages 8 to 17 form part of these financial statements

The financial statements on pages 5 to 17 were approved by the board of directors on 4 May 2007 and were signed on its behalf by



M Murray
Group Finance Director

AccuRead Limited

Reconciliation of movements in equity shareholder's funds for the year ended 31 December 2006

	2006	2005
	£'000	£'000
Profit for the financial year	5,279	4,303
Dividends (note 8)	(5,000)	(4,650)
Net increase/(decrease) to equity shareholder's funds	279	(347)
Equity shareholder's funds at 1 January	6,625	6,972
Equity shareholder's funds at 31 December	6,904	6,625

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Notes to the financial statements for the year ended 31 December 2006

1 Accounting policies

A summary of the company's principal accounting policies is set out below

Basis of preparation of financial statements

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable UK accounting and financial reporting standards

Cash flow statement

At 31 December 2006, the company was a wholly owned subsidiary of Global Solutions Limited, a company which prepares consolidated financial statements including a cash flow statement (see note 20). In accordance with Financial Reporting Standard 1 (revised) no cash flow statement is included in these financial statements

Turnover

Turnover represents the amount receivable, excluding value added tax, for the provision of information to utility companies, including meter reading and data processing services

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

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 against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted, or substantially enacted, by the balance sheet date. Deferred tax is measured on a non-discounted basis

Tangible fixed assets and depreciation

Tangible fixed assets are stated at their original cost less accumulated depreciation and any provision for impairment

Depreciation is calculated on a straight-line basis to recognise the consumption of the economic benefits of tangible fixed assets over their economic lives

The principal rates are as follows

Short leasehold property	over the period of the lease
Plant and equipment	10% to 100%

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Notes to the financial statements for the year ended 31 December 2006 (continued)

1 Accounting policies (continued)

Impairment of fixed assets

Impairment losses are recognised in the period in which they are identified. The directors carry out an impairment review by comparing the carrying value of the asset to the present value of the estimated future cash flows generated by that asset.

Leased assets

Payments under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pensions and other post retirement benefits

The company is a member of the Global Solutions Limited pension scheme. Global Solutions Limited principally operates two funded defined benefits schemes, which are self-administered (see note 15). The contributions paid by the company are accounted for as if the scheme were a defined contribution scheme, as the company is unable to identify its share of the underlying assets and liabilities of the scheme.

2 Turnover

Turnover for both 2006 and 2005 arose from a single class of business originating in the United Kingdom.

3 Operating profit

	2006	2005
	£'000	£'000
Operating profit is stated after charging		
Depreciation of tangible fixed assets	443	246
Operating lease charges		
Land and buildings	133	118
Plant and machinery	6,126	2,331
Services provided by the company's auditors		
Auditor's remuneration for audit services	23	22
Auditor's remuneration for other services – tax compliance	8	8

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Notes to the financial statements for the year ended 31 December 2006 (continued)

4 Employee information

	2006	2005
	£'000	£'000
Staff costs:		
Wages and salaries	26,631	25,211
Social security costs	2,280	2,026
Other pension costs (note 15)	1,504	1,429
	30,415	28,666
The average monthly number of persons (including executive directors) employed by the company during the year was		
	Number	Number
Direct	1,428	1,369
Indirect and administration	136	124
	1,564	1,493

5 Directors' emoluments

The costs in respect of directors' remuneration are borne by other group companies and are not directly recharged to the company. The disclosure reflects the apportioned emoluments in respect of their services to the company.

	2006	2005
	£'000	£'000
Aggregate emoluments	94	78

Five of the directors of the company are accruing pension benefits as members of the group defined benefit pension scheme (2005: five)

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Notes to the financial statements for the year ended 31 December 2006 (continued)

6 Interest receivable and similar income

	2006	2005
	£'000	£'000
Interest receivable:		
Bank interest	407	153
Net interest receivable	407	153

7 Tax on profit on ordinary activities

Analysis of tax charge for the year

	2006	2005
	£'000	£'000
Current tax charge for the year		
UK corporation tax on profits for the year	2,181	1,768
Adjustments in respect for previous years	(152)	(21)
Total current tax	2,029	1,747
Deferred tax		
Origination and reversal of timing differences	47	76
Adjustments in respect of previous years	6	-
Total deferred tax (note 11)	53	76
Tax on profit on ordinary activities	2,082	1,823

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Notes to the financial statements for the year ended 31 December 2006 (continued)

7 Taxation on profit on ordinary activities (continued)

The tax assessed for the year is lower (2005 lower) than the standard rate of corporation tax in the UK (30%)
The differences are explained below

Factors affecting tax charge for the year

	2006	2005
	£'000	£'000
Profit on ordinary activities before tax	7,361	6,126
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 30% (2005 30%)	2,208	1,838
Effects of		
Expenses not deductible for tax purposes		
- Permanent differences	20	15
Capital allowances for the year in excess of depreciation	(44)	(78)
Other short term timing differences	(3)	(7)
Adjustment to tax charge in respect of previous years	(152)	(21)
Current tax charge for the years	2,029	1,747

8 Dividends

	2006	2005
	£'000	£'000
Dividends paid	5,000	4,650

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Notes to the financial statements for the year ended 31 December 2006 (continued)

9 Tangible fixed assets

	Short leasehold property	Plant and equipment	Total
	£'000	£'000	£'000
Cost			
At 1 January 2006	340	6,084	6,424
Additions	-	848	848
At 31 December 2006	340	6,932	7,272
Depreciation			
At 1 January 2006	340	5,212	5,552
Charge for the year	-	443	443
At 31 December 2006	340	5,655	5,995
Net book value			
At 31 December 2006	-	1,277	1,277
At 31 December 2005	-	872	872

10 Debtors: amounts falling due within one year

	2006	2005
	£'000	£'000
Trade debtors	7,053	5,075
Other debtors	5	3
Prepayments and accrued income	3,904	3,257
Deferred tax (see note 11)	176	229
	11,138	8,564

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Notes to the financial statements for the year ended 31 December 2006 (continued)

11 Deferred taxation

	2006	2005
	£'000	£'000
Accelerated capital allowances	148	192
Other timing differences	28	37
Total deferred taxation asset	176	229
Deferred tax asset at 1 January	229	305
Deferred tax charge in profit and loss account for the year (note 7)	(53)	(76)
Deferred tax asset at 31 December	176	229

12 Creditors: amounts falling due within one year

	2006	2005
	£'000	£'000
Trade creditors	2,229	3,039
Amount owed to group undertakings	1,330	165
Corporation tax	5	930
Other taxation and social security	697	666
Other creditors	169	151
Accruals and deferred income	6,764	3,913
	11,194	8,864

Amounts owed to group undertakings are interest free and repayable on demand

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Notes to the financial statements for the year ended 31 December 2006 (continued)

13 Called up share capital

	2006	2005
	£'000	£'000
Authorised, allotted, issued and fully paid:		
100,000 Ordinary shares of £1 each	100	100

14 Reserves

	Profit and loss account
	£'000
At 1 January 2006	6,525
Retained profit for the financial year	279
As at 31 December 2006	6,804

15 Pension arrangements

The company participates in a group funded defined benefit scheme operated by Global Solutions Limited in the United Kingdom known as The GSL Pension Scheme. The GSL pension scheme (the "scheme") is a defined benefit pension scheme, the assets of which are held in a separate fund administered by trustees. However the contributions paid by the company are accounted as if the scheme were a defined contribution scheme, as the company is unable to identify its share of the underlying assets and liabilities in the scheme.

The most recent actuarial valuation of the scheme was carried out at 31 March 2005 and has been updated by the scheme's actuary on a FRS 17 basis as at 31 December 2006. The total pension costs charged in the company's profit and loss account for the year ended 31 December 2006 were £1,504,000 (2005 £1,429,000).

As at 31 December 2006 The GSL Pension Scheme has an actuarial deficit of £12,610,000 (2005 £13,290,000). Full FRS17 disclosures are provided in the consolidated financial statements of Global Solutions Limited.

Global Solutions Limited is changing the benefit basis of the scheme to a less costly career average revalued earnings ("CARE") basis from 6 April 2007. This change together with certain committed cash lump-sum contributions in excess of the company contribution rates between 2007 and 2011 have an aim of repairing the current deficit by 2011.

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Notes to the financial statements for the year ended 31 December 2006 (continued)

16 Capital commitments

	2006	2005
	£'000	£'000
Contracted but not provided for	135	590

17 Financial commitments

At 31 December 2006, the company had annual commitments under non-cancellable operating leases expiring as follows

	2006	2006	2005	2005
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Within one year	-	958	-	2,719
Between two and five years	178	58	118	529
	178	1,016	118	3,248

18 Related party transactions

During the year to 31 December 2006 the company entered into the following transactions and recorded the following balances with related parties

		2006	2006	2005	2005
Related party	Description of transaction	Income/ (expenditure)	Balance receivable	Income/ (expenditure)	Balance receivable
		£'000	£'000	£'000	£'000
Centrica plc (and subsidiaries thereof)	Meter reading services	-	-	30,708	3,111

The balance at the year-end is shown net of any provisions

Under FRS8, the company has taken the exemption not to disclose transactions with other group companies

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Notes to the financial statements for the year ended 31 December 2006 (continued)

19 Contingent liabilities

The company is an obligor under a Facilities Agreement with Halifax Bank of Scotland (HBoS) dated 12 July 2004, together with its immediate parent, its ultimate parent, and other wholly owned subsidiary UK companies. Under the terms of the agreement the company jointly and severally guarantees the facility. The total amount of the facility is £131.0m and is due to terminate on 31 December 2008. The total of £131.0m includes an amount of £97.3m (2005: £135.1m) which was in use as at 31 December 2006 comprising an £81.0m (2005: £120.0m) term loan and letters of credit representing certain performance and termination bonds (principally projects in the UK and Australia requiring bonding before the acquisition of GSL by De Facto 1121 Limited) of £16.3m (2005: £15.1m).

Under the same Facilities Agreement, the company is an obligor as part of a cash pooling arrangement with other GSL companies in the UK. As at 31 December 2006, the total group contingent liability was £nil (2005: £nil). At the same date, total group funds in the UK available to meet this contingent liability were £10.0m (2005: £85.3m).

20 Ultimate parent undertaking

The company is a wholly owned subsidiary of GSL Utility Services Limited, a company incorporated in the United Kingdom and a wholly owned subsidiary of Global Solutions Limited. Global Solutions Limited is a company incorporated in the United Kingdom which prepares consolidated financial statements, copies of which can be obtained from the Company Secretary, Farncombe House, Broadway, Worcestershire, WR12 7LJ.

The directors consider that the ultimate parent company is De Facto 1119 Limited, a company incorporated in the United Kingdom, which is the parent undertaking of the largest group for which consolidated financial statements are available, copies of which can be obtained from the Company Secretary, Farncombe House, Broadway, Worcestershire WR12 7LJ.