

AccuRead Limited

Annual report and financial statements
for the year ended 31 December 2007

Registered number 3076187

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AccuRead Limited

Annual report for the year ended 31 December 2007

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Directors' report for the year ended 31 December 2007

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2007

Principal activity

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

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 22)

Financial risk management

The financial risk management objectives and policies of the company are disclosed in the ultimate parent company's financial statements which are publicly available (see note 22)

Results and dividends

The results for the year are set out in the profit and loss account on page 4. A dividend of £6,000,000 was proposed and paid during the year (2006 £5,000,000). No dividends were proposed at the year end (2006 £nil).

Directors

The directors of the company during the year ended 31 December 2007, and subsequently, were

A D Banks

C Elliott

A D Jones

S Major

M Murray (appointed 3 April 2007)

P Lavin

B A Wallin (resigned 12 January 2007)

Charitable and political donations

No donations were made for charitable or political purposes (2006 £nil)

AccuRead Limited

Directors' report for the year ended 31 December 2007 (continued)

Disabled persons

It is the policy of the company to give fair consideration to applications for employment made by disabled persons acknowledging the particular abilities and aptitudes of each applicant and taking into account the requirements of the vacancies available. The company has been assessed and approved to use the Positive about Disabled People logo on its recruitment advertisements in the UK where the company is also a member of the Employers Forum on Disability to raise awareness in the organisation of the importance of giving assistance to disabled persons in employment.

In the event of a member of staff becoming disabled, every effort is made via the Company's Occupational Health Adviser to ensure that their employment with the company continues and that appropriate help is given to assist the member of staff. 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 any disability.

Employee involvement

The company is committed to inform and involve its staff in the business of the company. Formal consultative committees exist to ensure that issues of mutual interest can be discussed and resolved. Company newsletters, employee magazines and other communications are used to keep staff informed of events within the company.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statement, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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.

AccuRead Limited

Directors' report for the year ended 31 December 2007 (continued)

Auditors and 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

Auditors

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

By Order of the Board,

A handwritten signature in black ink, appearing to be 'M Murray', written over a horizontal line.

M Murray
Director
16 April 2008

Independent auditors' report to the members of AccuRead Limited

We have audited the financial statements of AccuRead Limited for the year ended 31 December 2007 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

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

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 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 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 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham

21 April 2008

AccuRead Limited

Profit and loss account for the year ended 31 December 2007

	Note	2007 £'000	2006 £'000
Turnover	2	72,159	69,262
Cost of sales		(52,084)	(53,069)
Gross profit		20,075	16,193
Administrative expenses		(10,031)	(9,239)
Operating profit	3	10,044	6,954
Net interest receivable	6	609	407
Profit on ordinary activities before taxation		10,653	7,361
Tax on profit on ordinary activities	7	(2,938)	(2,082)
Profit for the financial year	15	7,715	5,279

All of the above activities relate to continuing activities

There is no difference between the profits for the years as shown in the profit and loss account and their historical cost equivalents

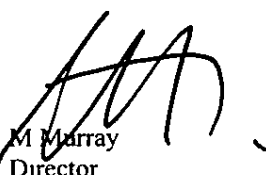
There is no difference between the profits for the financial years as shown in the profit and loss account and their historical cost equivalents

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Balance sheet as at 31 December 2007

	Note	2007 £'000	2006 £'000
Fixed assets			
Tangible assets	9	2,143	1,277
Current assets			
Debtors amounts falling due within one year	10	20,015	10,962
Debtors amounts falling due after more than one year	11	584	176
Cash at bank and in hand		-	5,683
		20,599	16,821
Creditors: amounts falling due within one year	13	(14,123)	(11,194)
Net current assets		6,476	5,627
Net assets		8,619	6,904
Capital and reserves			
Called up share capital	14	100	100
Profit and loss reserve	15	8,519	6,804
Total shareholder's funds	16	8,619	6,904

The financial statements on pages 4 to 19 were approved by the board of directors on 16 April 2008 and were signed on its behalf by


M Murray
Director

AccuRead Limited

Notes to the financial statements for the year ended 31 December 2007

1 Accounting policies

A summary of the company's principal accounting policies, which have been consistently applied for both financial years, is set out below

Basis of preparation of accounting

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

Cash flow statement

At 31 December 2007, the company was a wholly owned subsidiary of Global Solutions Limited (see note 22), a company which prepares consolidated financial statements including a cash flow statement. In accordance with Financial Reporting Standard 1 (revised 1996) 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. Turnover is recognised in the month during which the services are provided to the utility companies

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 depreciated historical cost. Depreciation is calculated to recognise the consumption of the economic benefits of tangible fixed assets over their economic lives. Depreciation is calculated on a straight-line basis to write off cost less any residual value and the principal annual rates are as follows

Short leasehold property	over the period of the lease
Plant and equipment	10% to 33%

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Notes to the financial statements for the year ended 31 December 2007 (continued)

1 Accounting policies (continued)

Impairment of fixed assets

The directors carry out an annual impairment review by comparing the carrying value of the asset to the present value of the estimated future cash flows generated by that asset if a triggering event occurs. Impairment losses are recognised in the year in which they are identified.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership, the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding lease commitments are shown as obligations to the lessor. Lease payments are split between capital and interest elements using the annuity method. Depreciation on the relevant assets and interest are charged to the profit and loss account. All other leases are operating leases and the annual rentals are charged to operating profit on a straight line basis over the lease term.

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 17). 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 arose from a single class of business originating in the United Kingdom for both financial years.

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Notes to the financial statements for the year ended 31 December 2007 (continued)

3 Operating profit

	2007	2006
	£'000	£'000
Operating profit is stated after charging		
Depreciation of tangible fixed assets (note 9)		
- owned assets	613	443
- leased assets	297	-
Operating lease charges		
Plant and machinery	-	2,145
Other	2,786	4,094
Services provided by the company's auditor		
Fees payable for the audit	45	23
Fees payable for other services – tax compliance	14	8

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Notes to the financial statements for the year ended 31 December 2007 (continued)

4 Employee information

	2007	2006
	£'000	£'000
Staff costs:		
Wages and salaries	28,102	26,631
Social security costs	2,533	2,280
Other pension costs (note 17)	1,420	1,504
	32,055	30,415

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

	2007 Number	2006 Number
Direct	1,487	1,428
Indirect and administration	122	136
	1,609	1,564

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.

	2007	2006
	£'000	£'000
Aggregate emoluments	196	94

Four of the directors of the company are accruing pension benefits as members of the group defined benefit pension scheme (2006: 5).

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Notes to the financial statements for the year ended 31 December 2007 (continued)

6 Net interest receivable

	2007	2006
	£'000	£'000
Interest receivable and similar income:		
Bank interest	167	407
Interest receivable from group undertakings	479	-
Interest payable and similar charges:	646	407
Other interest payable	(37)	-
Net interest receivable	609	407

7 Tax on profit on ordinary activities

	2007	2006
	£'000	£'000
Current tax		
UK corporation tax on profits of the year	3,476	2,181
Adjustments in respect of previous year	(130)	(152)
Total current tax	3,346	2,029
Deferred tax		
Origination and reversal of timing differences	(189)	47
Impact of change in UK tax rate	(42)	-
Adjustments in respect of previous years	(177)	6
Total deferred tax (note 12)	(408)	53
Tax on profit on ordinary activities	2,938	2,082

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Notes to the financial statements for the year ended 31 December 2007 (continued)

7 Tax on profit on ordinary activities (continued)

The tax assessed for the year is higher (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

	2007	2006
	£'000	£'000
Profit on ordinary activities before tax	10,653	7,361
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 30% (2006 30%)	3,196	2,208
Effects of		
Expenses not deductible for tax purposes - permanent differences	22	20
Capital allowances for the period in excess of depreciation	273	(44)
Other short term timing differences	(15)	(3)
Adjustment to tax charge in respect of previous periods	(130)	(152)
Current tax charge for the year	3,346	2,029

Factors that may affect future tax charges:

The standard rate of Corporation Tax in the UK changes to 28% with effect from 1 April 2008

8 Dividends

	2007	2006
	£'000	£'000
Equity – ordinary		
Proposed and paid £60 (2006 final paid £50) per £1 share	6,000	5,000

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Notes to the financial statements for the year ended 31 December 2007 (continued)

9 Tangible fixed assets

	Short leasehold property	Plant and equipment	Total
	£'000	£'000	£'000
Cost			
At 1 January 2007	340	6,932	7,272
Additions	55	1,721	1,776
At 31 December 2007	395	8,653	9,048
Depreciation			
At 1 January 2007	340	5,655	5,995
Charge for the year	4	906	910
At 31 December 2007	344	6561	6,905
Net book value			
At 31 December 2007	51	2,092	2,143
At 31 December 2006	-	1,277	1,277

Assets held under finance leases and capitalised in plant and equipment comprise cost of £593,000 (2006 £nil), aggregated depreciation of £297,000 (2006 £nil), and a net book amount of £296,000 (2006 £nil)

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Notes to the financial statements for the year ended 31 December 2007 (continued)

10 Debtors: amounts falling due within one year

	2007	2006
	£'000	£'000
Trade debtors	8,331	7,053
Amounts owed by group undertakings	7,587	-
Other debtors	191	5
Prepayments and accrued income	3,906	3,904
	20,015	10,962

11 Debtors: amounts falling due after more than one year

	2007	2006
	£'000	£'000
Deferred tax	584	176

12 Deferred taxation

	2007	2006
	£'000	£'000
Accelerated capital allowances	558	148
Other timing differences	26	28
Total deferred taxation asset	584	176
Deferred tax asset at 1 January	176	229
Deferred tax credit/(charge) in profit and loss account for the year (note 7)	408	(53)
Deferred tax asset at 31 December	584	176

A deferred tax asset of £161,655 (2006 £346,403) has not been recognised on the basis that the future recovery of such amounts is uncertain

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Notes to the financial statements for the year ended 31 December 2007 (continued)

13 Creditors: amounts falling due within one year

	2007	2006
	£'000	£'000
Bank overdraft	962	-
Trade creditors	2,542	2,229
Amount owed to group undertakings	191	1,330
Corporation tax	2,617	5
Other taxation and social security	1,853	697
Other creditors	179	169
Accruals and deferred income	5,470	6,764
Net obligations due under finance leases	309	-
	14,123	11,194

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

14 Share capital

	2007	2006
	£'000	£'000
Authorised, allotted, issued and fully paid:		
100,000 Ordinary shares of £1 each	100	100

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Notes to the financial statements for the year ended 31 December 2007 (continued)

15 Reserves

	Profit and loss reserve
	£'000
At 1 January 2007	6,804
Profit for the financial year	7,715
Dividends paid during the year	(6,000)
As at 31 December 2007	8,519

16 Reconciliation of movement in total shareholders' funds

	2007	2006
	£'000	£'000
Profit for the financial year	7,715	5,279
Dividends	(6,000)	(5,000)
Net increase in total shareholders' funds	1,715	279
Opening total shareholders' funds	6,904	6,625
Closing total shareholders' funds	8,619	6,904

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Notes to the financial statements for the year ended 31 December 2007 (continued)

17 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 2006 and has been updated by the scheme's actuary on a FRS17 basis as at 31 December 2007.

The total pension costs charged in the company's profit and loss account for the year ended 31 December 2007 were £1,420,000 (2006: £1,504,000).

As at 31 December 2007 The GSL Pension Scheme has an actuarial surplus of £990,000 (2006: deficit £12,610,000). Full FRS17 disclosures are provided in the consolidated financial statements of Global Solutions Limited.

During the year Global Solutions Limited changed the benefit basis of the scheme to a less costly career average revalued earnings ("CARE") basis. This took effect from 6 April 2007. This change together with certain committed cash lump-sum contributions in excess of the company contribution rates between 2008 and 2011 have an aim of mitigating any pension deficits throughout the period.

18 Capital commitments

	2007	2006
	£'000	£'000
Contracted but not provided for in the accounts	40	135

19 Financial commitments

At 31 December 2007, the company had annual commitments under non-cancellable operating leases expiring as follows:

	2007	2007	2006	2006
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Within one year	184	1,004	-	958
Between two and five years	-	214	178	58
More than five years	-	-	-	-
	184	1,218	178	1,016

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Notes to the financial statements for the year ended 31 December 2007 (continued)

20 Related party transactions

The company has taken advantage of the exemption under FRS8 'Related party disclosures' relating to 90% subsidiary undertakings and has not disclosed details of transactions with other subsidiary undertakings within De Facto 1119 Limited group

21 Contingent liabilities

The company has guaranteed various performance obligations in relation to certain contracts of group companies in the normal course of business. The likelihood of any payment under the performance guarantees is considered to be remote.

The company is an obligor under a Facilities Agreement with Fortis Bank S.A. /U.K. Branch and Intermediate Capital Group Plc dated 8 May 2007, 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 £225.0m and is due to terminate on 31 December 2016. The total of £225.0m includes an amount of £194.4m (2006: £97.3m) which was in use as at 31 December 2007 comprising an £175.0m (2006: £81.0m) term loan and letters of credit representing certain performance and termination bonds (principally projects in the UK and Australia requiring bonding) of £19.4m (2006: £16.3m).

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 2007, the total group contingent liability was £nil (2006: £nil) and at the same date total group funds in the UK available to meet this contingent liability were £14.6m (2006: £10.0m).

22 Ultimate parent company and controlling party

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.

On 18 December 2007 G4S plc announced the acquisition of GSL for £355m. The acquisition is subject to approval from the European Commission and the South African Competition Commission and is expected to complete following the receipt of such approvals in 2008.