

G4S Utility Services (UK) Limited

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(formerly AccuRead Limited)

Annual report and financial statements

for the year ended 31 December 2008

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G4S Utility Services (UK) Limited

Annual report for the year ended 31 December 2008

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G4S Utility Services (UK) Limited

Directors' report for the year ended 31 December 2008

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2008.

Principal activity

The principal activity of the company during the year was the provision of meter reading and data processing services. On 17 March 2009 the company changed its name from AccuRead Limited to G4S Utility Services (UK) Limited.

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 consolidated financial statements for G4S Regional Management (UK&I) Limited (formerly Global Solutions Limited). G4S Regional Management (UK&I) Limited is the parent undertaking of the smallest group for which consolidated financial statements are available (see note 23).

Financial risk management

The financial risk management objectives and policies of the company are disclosed in the consolidated financial statements of G4S Regional Management (UK&I) Limited (formerly Global Solutions Limited) (see note 23).

Results and dividends

The results for the year are set out in the profit and loss account on page 6. A dividend of £8,000,000 was proposed and paid during the year (2007: £6,000,000).

Directors

The directors of the company during the year ended 31 December 2008, and subsequently, were:

A D Banks	
C Elliott	
A D Jones	(resigned 9 May 2008)
S Major	(resigned 30 September 2008)
M Murray	(resigned 9 May 2008)
P Lavin	
J Darnton	(appointed 15 October 2008)

Payments to suppliers

The policy of payment of suppliers of the company is disclosed in the financial review in the consolidated financial statements of G4S Regional Management (UK&I) Limited which are publicly available (see note 23).

G4S Utility Services (UK) Limited

Directors' report for the year ended 31 December 2008 (continued)

Charitable and political donations

No donations were made for charitable or political purposes (2007: £nil).

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.

G4S Utility Services (UK) Limited

Directors' report for the year ended 31 December 2008 (continued)

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.

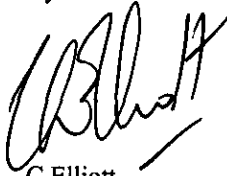
Disclosure of information to auditors

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/herself aware of any relevant audit information and to establish that the company's auditor is aware of such information.

Auditors

During the year, PricewaterhouseCoopers LLP resigned as auditors following the acquisition of the Company by G4S Plc. KPMG Audit Plc was appointed, and a resolution to reappoint KPMG Audit Plc as auditors to the company will be proposed at the forthcoming annual general meeting in accordance with section 384 of the Companies Act 1985.

By order of the board,



C Elliott
Director

31 March 2009

Independent auditors' report to the members of G4S Utility Services (UK) Limited

We have audited the financial statements of G4S Utility Services (UK) Limited for the year ended 31 December 2008 which comprise Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in 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 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 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.



KPMG Audit Plc
Chartered Accountants, London
Registered Auditor
31 March 2009

G4S Utility Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

Profit and loss account for the year ended 31 December 2008

	Note	2008 £'000	2007 £'000
Turnover	2	76,475	72,159
Cost of sales		(54,125)	(52,084)
Gross profit		22,350	20,075
Administrative expenses		(11,108)	(10,031)
Operating profit	3	11,242	10,044
Net interest receivable	6	564	609
Profit on ordinary activities before taxation		11,806	10,653
Tax on profit on ordinary activities	7	(2,576)	(2,938)
Profit for the financial year	16	9,230	7,715

All of the above activities relate to continuing activities.

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

G4S Utility Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

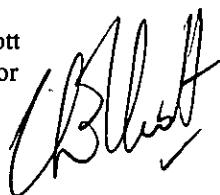
Balance sheet as at 31 December 2008

	Note	2008 £'000	2007 £'000
Fixed assets			
Tangible assets	9	4,361	2,143
Current assets			
Debtors: amounts falling due within one year	10	21,126	20,015
Debtors: amounts falling due after more than one year	11	382	584
Cash at bank and in hand		107	-
		21,615	20,599
Current liabilities			
Creditors: amounts falling due within one year	13	(16,120)	(14,123)
Net current assets		5,495	6,476
Total assets less current liabilities		9,856	8,619
Creditors: amounts falling due after more than one year	14	(7)	-
Net assets		9,849	8,619
Capital and reserves			
Called up share capital	15	100	100
Profit and loss reserve	16	9,749	8,519
Total shareholder's funds	17	9,849	8,619

The notes on pages 8 to 19 form part of these financial statements.

The financial statements were approved by the Board of Directors on 31 March 2009 and were signed on its behalf by:

C Elliott
Director



G4S Utility Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

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.

Related party disclosures and exemption from FRS 8

As the Company is a wholly owned subsidiary of G4S Plc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of G4S Plc, within this Company is included, can be obtained from the Company Secretary, The Manor, Manor Royal, Crawley, West Sussex, RH10 9UN.

Cash flow statement

At 31 December 2008, the company was a wholly owned subsidiary of G4S Regional Management (UK&I Ltd (formerly Global Solutions Limited) (see note 23), 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.

G4S Utility Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

Notes to the financial statements for the year ended 31 December 2008

1 Accounting policies (continued)

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%

Impairment of fixed assets

If a triggering event occurs, 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. Impairment losses are recognised in the year in which these 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 or fair value which ever is lower. 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 G4S Regional Management (UK&I) Limited (formerly Global Solutions Limited) pension scheme. G4S Regional Management (UK&I) Limited principally operates two funded defined benefits schemes, which are self-administered (see note 18). 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. As a result, the amount charged to the profit and loss account represents the contributions paid in the financial period.

2 Turnover

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

G4S Utility Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

3 Operating profit

	2008	2007
	£'000	£'000
<hr/>		
Operating profit is stated after charging:		
Depreciation of tangible fixed assets (note 9):		
- Owned assets	803	613
- Leased assets	328	297
Operating lease charges:		
- Plant and machinery	-	-
- Other	2,836	2,786
Services provided by the company's auditor:		
- Fees payable for the audit	56	45
- Fees payable for other services – tax compliance	-	14
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G4S Utility Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

4 Employee information

	2008	2007
	£'000	£'000
Staff costs:		
Wages and salaries	29,100	28,102
Social security costs	2,244	2,533
Other pension costs (note 18)	1,485	1,420
	32,829	32,055

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

	2008 Number	2007 Number
Direct	1468	1,487
Indirect and administration	141	122
	1,609	1,609

5 Directors' emoluments

	2008	2007
	£'000	£'000
Aggregate emoluments	308	196

Highest paid director	2008	2007
Aggregate emoluments	308	196

3 of the directors of the company are accruing pension benefits as members of the group defined benefit pension scheme (2007: 4).

G4S Utility Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

6 Net interest receivable

	2008	2007
	£'000	£'000
Interest receivable and similar income:		
Bank interest	147	167
Interest receivable from group undertakings	435	479
Interest payable and similar charges:	582	646
Other interest payable	(18)	(37)
Net interest receivable	564	609

7 Tax on profit on ordinary activities

	2008	2007
	£'000	£'000
Analysis of charge for the year		
Current tax		
UK corporation tax on profits for the year	2,454	3,476
Adjustments in respect of previous year	(80)	(130)
Total current tax	2,374	3,346
Deferred tax		
Origination and reversal of timing differences	(78)	(189)
Impact of change in UK tax rate	-	(42)
Adjustments in respect of previous years	280	(177)
Total deferred tax (note 12)	202	(408)
Tax on profit on ordinary activities	2,576	2,938

G4S Utility Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

7 Tax on profit on ordinary activities (continued)

The tax assessed for the year is lower (2007: higher) than the standard rate of corporation tax in the UK of 28.5% (2007: 30%). The differences are explained below:

Factors affecting tax charge for the year

	2008	2007
	£'000	£'000
Profit on ordinary activities before tax	11,806	10,653
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 28.5% (2007: 30%)	3,365	3,196
Effects of:		
Expenses not deductible for tax purposes - permanent differences	16	22
Capital allowances for the period in excess of depreciation	(124)	273
Other short term timing differences	(143)	(15)
Adjustment to tax charge in respect of previous periods	(80)	(130)
Tax relief adjustment for additional pension contributions	(660)	-
Current tax charge for the year	2,374	3,346

Factors affecting future tax charges

The standard rate of Corporation Tax in the UK changed from 30% to 28% with effect from 1 April 2008. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 28.5% and will be taxed at 28% in the future.

8 Dividends

	2008	2007
	£'000	£'000
Equity – ordinary		
Proposed and paid: £80 (2007: £60) per £1 share	8,000	6,000

G4S Utility Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

9 Tangible fixed assets

	Short leasehold property	Plant and equipment	Total
	£'000	£'000	£'000
Cost			
At 1 January 2008	395	8,653	9,048
Additions	705	2,644	3,349
At 31 December 2008	1,100	11,297	12,397
Depreciation			
At 1 January 2008	344	6,561	6,905
Charge for the year	28	1,103	1,131
At 31 December 2008	372	7,664	8,036
Net book value			
At 31 December 2008	728	3,633	4,361
At 31 December 2007	51	2,092	2,143

Assets held under finance leases and capitalised in plant and equipment comprise cost of £74,000 (2007: £593,000), aggregated depreciation of £31,000 (2007: £297,000), and a net book amount of £43,000 (2007: £296,000). Assets previously held under finance leases totalling cost of £593,000, with a net book amount of £nil expired on the 31 December 2008.

G4S Utility Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

10 Debtors: amounts falling due within one year

	2008	2007
	£'000	£'000
Trade debtors	8,483	8,331
Amounts owed by group undertakings	7,668	7,587
Other debtors	-	191
Prepayments and accrued income	4,975	3,906
	21,126	20,015

£410,000 of the £7,668,000 amounts owed by group undertakings relates to trade and carries no interest charge. The residual £7,258,000 constitutes loans to fellow group companies. The loans are repayable to the company on 15 December 2009 and accrue interest at a rate of Libor plus a margin of 1.00%.

11 Debtors: amounts falling due after more than one year

	2008	2007
	£'000	£'000
Deferred tax	382	584

12 Deferred taxation

	2008	2007
	£'000	£'000
Accelerated capital allowances	382	558
Other timing differences	-	26
Total deferred taxation asset	382	584
Deferred tax asset at 1 January	584	176
Deferred tax (charge)/credit in profit and loss account for the year (note 7)	(202)	408
Deferred tax asset at 31 December	382	584

G4S Utility Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

13 Creditors: amounts falling due within one year

	2008	2007
	£'000	£'000
Bank overdraft	-	962
Trade creditors	4,103	2,542
Amount owed to group undertakings	5,194	2,808
Other taxation and social security	2,200	1,853
Other creditors	149	179
Accruals and deferred income	4,436	5,470
Net obligations due under finance leases	38	309
	16,120	14,123

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

14 Creditors: amounts falling due after more than one year

	2008	2007
	£'000	£'000
Net obligations due under finance leases	7	-

15 Share capital

	2008	2007
	£'000	£'000
Authorised, allotted, issued and fully paid:		
100,000 Ordinary shares of £1 each	100	100

G4S Utility Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

16 Reserves

	Profit and loss reserve
	£'000
At 1 January 2008	8,519
Profit for the financial year	9,230
Dividends paid during the year	(8,000)
As at 31 December 2008	9,749

17 Reconciliation of movement in total shareholders' funds

	2008	2007
	£'000	£'000
Profit for the financial year	9,230	7,715
Dividends	(8,000)	(6,000)
Net increase in total shareholders' funds	1,230	1,715
Opening total shareholders' funds	8,619	6,904
Closing total shareholders' funds	9,849	8,619

G4S Utility Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

18 Pension arrangements

The company participates in a group funded defined benefit scheme operated by G4S Regional Management (UK&I) Limited (formerly 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 2008.

The total pension costs charged in the company's profit and loss account for the year ended 31 December 2008 were £1,485,000 (2007: £1,420,000).

As at 31 December 2008 The GSL Pension Scheme has an actuarial surplus of £28,600,000 (2007: surplus £990,000). Full FRS17 disclosures are provided in the consolidated financial statements of G4S Regional Management (UK&I) Limited (formerly Global Solutions Limited).

19 Capital commitments

	2008	2007
	£'000	£'000
Contracted but not provided for in the accounts	-	40

20 Financial commitments

The company has entered into non-cancelling operating leases and has annual commitments under leases expiring as follows:

	2008	2008	2007	2007
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Within one year	-	176	184	1,004
Between two and five years	-	2,021	-	214
More than five years	247	-	-	-
	247	2,197	184	1,218

G4S Utility Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2008 (continued)

21 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 the G4S Plc group.

22 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.

23 Ultimate parent undertaking

The company is a wholly owned subsidiary of GSL Managed Services (UK) Limited (formerly GSL Utility Services Limited), a company incorporated in the United Kingdom. GSL Managed Services (UK) Limited is a wholly owned subsidiary of G4S Regional Management (UK&I) Limited (formerly Global Solutions Limited). G4S Regional Management (UK&I) Limited is a company incorporated in the United Kingdom and prepares consolidated financial statements, copies of which can be obtained from the Company Secretary, Sutton Park House, 15 Carshalton Road, Sutton, Surrey, SM1 4LD.

The ultimate parent company is G4S Plc, 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, The Manor, Manor Royal, Crawley, West Sussex, RH10 9UN.



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G4S Utility Services (UK) Limited
(previously AccuRead Limited)
3076187

KPMG Audit plc
1 Canada Square
Canary Wharf
London
E14 5AG

31 March 2009

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of *G4S Utility Services (UK) Limited* ("the Company"), for the purpose of expressing an opinion as to whether these financial statements give a true and fair view of the financial position of *G4S Utility Services (UK) Limited* and of its financial performance in accordance with UK Generally Accepted Accounting Practice. These financial statements comprise the balance sheet as at 31 December 2008, and the profit and loss account, and a summary of significant accounting policies and other explanatory notes.

We acknowledge as directors our responsibilities under the Companies Act 1985 for preparing financial statements which give a true and fair view of the Company.

We also acknowledge as directors our responsibilities under the Companies Act 1985 for making accurate representations to you and for ensuring that there is no relevant audit information that you are unaware of.

The Board approves the financial statements.

The Board understands that auditing standards require you to obtain representations from directors on matters that are material to your opinion. The Board understands that omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.



The Board has made appropriate inquiries of directors and officers of the Company with the relevant knowledge and experience. Accordingly, the Board confirms, to the best of its knowledge and belief, the following representations:

1. The financial statements referred to above, which have been prepared on a going concern basis, give a true and fair view in accordance with UK Generally Accepted Accounting Practice.
2. All the accounting records have been made available to you for the purpose of your audit, and the full effect of all the transactions undertaken by the company have been properly reflected and recorded in the accounting records in accordance with agreements, including side agreements, amendments and oral agreements. All other records and related information, including minutes of all management, Board and shareholders meetings and, when applicable, summaries of actions of meetings held after period end for which minutes have not yet been prepared, have been made available to you.
4. Board is not aware of any known actual or possible non-compliance with laws and regulations that could have a material effect on the ability of the Company to conduct its business and therefore on the results and financial position to be disclosed in the financial statements for the year ended 31 December 2008.
5. The Board:
 - (a) understands that the term “fraud” includes misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Misstatements resulting from fraudulent financial reporting involve intentional misstatements including omissions of amounts or disclosures in the financial statements to deceive financial statement users. Misstatements resulting from misappropriation of assets involve the theft of an entity’s assets, often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.
 - (b) acknowledges responsibility for the design and implementation of internal control to prevent and detect fraud and error.
 - (c) has disclosed to you its knowledge of fraud or suspected fraud affecting the Company involving:
 - management and those charged with governance;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements.



- (d) has disclosed to you its knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, analysts, regulators or others.
 - (e) has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.
6. The Board believes the effects of uncorrected financial statement misstatements summarised in the accompanying schedule (*Appendix 1*) are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
 7. The Board confirms the completeness of the information provided to you regarding the identification of related parties and regarding transactions with such parties that are material to the financial statements. The identity of, and balances and transactions with, related parties have been properly recorded and when appropriate, adequately disclosed in the notes to the financial statements. The Board is not aware of any other such matters required to be disclosed in the financial statements, whether under FRS 8 *Related party disclosures* or other requirements. Included in Appendix A to this letter are the definitions of both a related party and a related party transaction as the Board understands them and as defined in FRS 8.
 8. Presentation and disclosure of the fair value measurements of material assets, liabilities and components of equity are in accordance with UK Generally Accepted Accounting Practice. The amounts disclosed represent the Board's best estimate of fair value of assets and liabilities required to be disclosed by these standards. The measurement methods and significant assumptions used in determining fair value have been applied on a consistent basis, are reasonable and such assumptions appropriately reflect the Board's intent and ability to carry out specific courses of action on behalf of the Company where relevant to the fair value measurements or disclosures.
 9. The Board has recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and has disclosed all guarantees given to third parties.
 10. The estimated financial effect of pending or threatened litigation and claims against the Company has been properly recorded and/or disclosed in the financial statements. Except as disclosed in the notes to the financial statements, the Board is not aware of any additional claims that have been or are expected to be received.



11. Except as disclosed in the financial statements or notes thereto there are no:

- (a) other gain or loss contingencies or other liabilities that are required to be recognised or disclosed in the financial statements, including liabilities or contingencies arising from environmental matters resulting from illegal or possibly illegal acts, or possible violations of human rights legislation; or
- (b) other environmental matters that may have a material impact on the financial statements.

This letter was tabled and agreed at the meeting of the Board of Directors on 31 March 2009.

Yours truly,

A handwritten signature in black ink, appearing to be 'C. Blount'.



Appendix A to the Management Representation Letter of G4S Utility Services (UK) Limited

Definitions

- A. Two or more parties are related parties when at any time during the financial period:
- (i) One party has either direct or indirect control of the other party; or
 - (ii) the parties are subject to common control from the same source; or
 - (iii) one party has influence over the financial and operating policies of the other party to an extent that that other party might be inhibited from pursuing at all times its own separate interests; or
 - (iv) the parties, in entering a transaction, are subject to influence from the same source to such an extent that one of the parties to the transaction has subordinated its own separate interests.
- B. For the avoidance of doubt, the following are related parties of the reporting entity:
- (i) its ultimate and intermediate parent undertakings, subsidiary undertakings, and fellow subsidiary undertakings;
 - (ii) its associates and joint ventures;
 - (iii) the investor or venturer in respect of which the reporting entity is an associate or a joint venture;
 - (iv) directors¹ of the reporting entity and the directors of its ultimate and intermediate parent undertakings; and
 - (v) pension funds for the benefit of employees of the reporting entity or of any entity that is a related party of the reporting entity.
- C. The following are presumed to be related parties of the reporting entity unless it can be demonstrated that neither party has influenced the financial and operating policies of the other in such a way as to inhibit the pursuit of separate interests:
- (i) the key management of the reporting entity and the key management of its parent undertaking or undertakings;
 - (ii) a person owning or able to exercise control over 20 per cent or more of the voting rights of the reporting entity, whether directly or through nominees;
 - (iii) each person acting in concert in such a way as to be able to exercise control or influence over the reporting entity; and
 - (iv) an entity managing or managed by the reporting entity under a management contract.
- D. Additionally, because of their relationship with certain parties that are, or are presumed to be, related parties of the reporting entity, the following are also presumed to be related parties of the reporting entity:
- (i) members of the close family of any individual falling under parties mentioned above in A to C; and
 - (ii) partnerships, companies, trusts or other entities in which any individual or member of the close family in a to C above has a controlling interest.

¹ Directors include shadow directors, which are defined in companies legislation as persons in accordance with whose directions or instructions the directors of the company are accustomed to act.

Summary of unadjusted audit differences – G4S Utility Services (UK) Limited

Unadjusted audit differences				
	Income statement		Balance sheet	
	Dr £'000	Cr £'000	Dr £'000	Cr £'000
Dr Provisions				
Cr Profit and loss		200	200	
<i>Being the provision of penalties on E.ON not meeting criterion under relevant IFRS / UK GAAP accounting standard</i>				
Total		200	200	