

G4S Utility Services (UK) Limited

Financial statements

for the year ended 31 December 2009

Registered number 3076187

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G4S Utility Services (UK) Limited

Financial statements for the year ended 31 December 2009

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G4S Utility Services (UK) Limited

Directors' report for the year ended 31 December 2009

The directors present their report and the audited financial statements of the company for the year ended 31 December 2009

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 consolidated financial statements for G4S Regional Management (UK&I) Limited. G4S Regional Management (UK&I) Limited is the parent undertaking of the smallest group for which consolidated financial statements are available (see note 22)

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 (see note 22)

Results and dividends

The results for the year are set out in the profit and loss account on page 7. A dividend of £nil was proposed and paid during the year (2008: £8,000,000)

Directors

The directors of the company during the year ended 31 December 2009, and subsequently, were

A D Banks	(resigned 8 July 2009)
C Elliott	(resigned 8 July 2009)
P Lavin	(resigned 22 July 2009)
J Darnton	
K Challis	(appointed 28 October 2009)
J Dougal	(appointed 8 July 2009)
T McIver	(appointed 8 July 2009)

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 22)

G4S Utility Services (UK) Limited

Directors' report for the year ended 31 December 2009 (continued)

Charitable and political donations

Payments made for charitable purposes by the company during the year ended 31 December 2009 amounted to £2,619 (2008 £nil). There were no political donations made by the company in either the current or prior year.

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 in respect of the Directors' report and the financial statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these 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 statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

G4S Utility Services (UK) Limited

Directors' report for the year ended 31 December 2009 (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect 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

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 485 of the Companies Act 2006.

By order of the board,



J Darnton
Director
15 March 2010

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 2009 set out on pages 7 to 20. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body in accordance with Chapter 3 Part 16 of the Companies Act 2006. 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 auditors' 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 company's members, as a body, for our audit work, for this report, or the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



J Luke (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
London
15 March 2010

G4S Utility Services (UK) Limited

Profit and loss account for the year ended 31 December 2009

	Note	2009 £'000	2008 £'000
Turnover	2	77,200	76,475
Cost of sales		(53,968)	(54,125)
Gross profit		23,232	22,350
Administrative expenses		(12,627)	(11,108)
Operating profit	3	10,605	11,242
Net interest receivable	6	253	564
Profit on ordinary activities before taxation		10,858	11,806
Tax on profit on ordinary activities	7	(3,268)	(2,576)
Profit for the financial year	16	7,590	9,230

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, and therefore no separate statement of total recognised gains and losses has been presented

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

G4S Utility Services (UK) Limited

Balance sheet as at 31 December 2009

	Note	2009 £'000	2008 £'000
Fixed assets			
Tangible assets	9	4,735	4,361
Current assets			
Debtors amounts falling due within one year	10	31,204	21,126
Debtors amounts falling due after more than one year	11	215	382
Cash at bank and in hand		23	107
		31,442	21,615
Current liabilities			
Creditors amounts falling due within one year	13	(18,725)	(16,120)
Net current assets		12,717	5,495
Total assets less current liabilities		17,452	9,856
Creditors: amounts falling due after more than one year	14	-	(7)
Net assets		17,452	9,849
Capital and reserves			
Called up share capital	15	100	100
Capital contribution reserve	16	13	-
Profit and loss reserve	16	17,339	9,749
Total shareholder's funds	17	17,452	9,849

The notes on pages 9 to 20 form part of these financial statements

The financial statements were approved by the Board of Directors on 15 March 2010 and were signed on its behalf by

J Darnton
Director



G4S Utility Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2009

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 Standards and the Companies Act 2006

Cash flow statements and related party disclosures

The company is a wholly owned subsidiary of G4S Managed Services (UK) Limited

G4S Managed Services (UK) Limited is a wholly owned subsidiary of G4S Regional Management (UK) Limited, which is the parent undertaking of the smallest group to consolidate these financial statements

The ultimate parent undertaking 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. Consequently, G4S Utility Services (UK) Limited has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1. The company is also exempt under the terms of the revised FRS8 from disclosing related party transactions with wholly owned subsidiaries that are part of the G4S Plc group (see note 22)

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

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

G4S Utility Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

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%

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 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.

Share based payments

G4S Utility Services (UK) Limited has applied the optional transitional exemptions in FRS 20 Share-based Payment and implemented its requirements for grants of equity instruments made after 7 November 2002 which had not vested by 1 January 2006.

G4S Plc issues equity-settled share based payments to certain employees of G4S Utility Services (UK) Limited. The fair value of share-based payments is determined at the date of the grant and expensed with a corresponding increase in equity on a straight-line basis over the vesting period, based on the estimate of the shares that will eventually vest, in accordance with the UITF 44 'Group and Treasury Share Transactions'. The amount expensed is adjusted over the vesting period for changes in the estimate of the number of shares that will eventually vest, save for changes resulting from any market-related performance conditions.

The fair value of share-based payments granted in the form of options is measured by the use of the Black-Scholes valuation technique, adjusted for future dividend receipts and for any market-related performance conditions.

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 2009 (continued)

3 Operating profit

The operating profit is stated after charging

	2009	2008
	£'000	£'000
Depreciation of tangible fixed assets (note 9)		
- Owned assets	998	803
- Leased assets	37	328
Loss on disposal of fixed assets (note 9)	122	-
Operating lease charges		
- Plant and machinery	-	-
- Other	2,985	2,836
Services provided by the company's auditor	-	
Auditor's remuneration for audit services	50	56
Auditor's remuneration for other services – tax compliance	-	-

G4S Utility Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

4 Employee information

	2009	2008
Staff costs (including directors)	£'000	£'000
Wages and salaries	31,138	29,100
Social security costs	2,747	2,244
Other pension costs (note 18)	1,691	1,485
	35,576	32,829

	2009	2008
Average number of employees (including directors)	Number	Number
Direct	1,455	1,468
Indirect and administration	170	141
	1,625	1,609

5 Directors' emoluments

	2009	2008
	£'000	£'000
Aggregate emoluments	663	308

	2009	2008
Highest paid director	£'000	£'000
Aggregate emoluments	528	308

3 of the directors of the company are accruing pension benefits as members of the group defined benefit pension scheme (2008 3)

G4S Utility Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

6 Net interest receivable

	2009	2008
	£'000	£'000
Interest receivable and similar income:		
Bank interest	-	147
Interest receivable from group undertakings (members of G4S Plc group)	261	435
	261	582
Interest payable and similar charges:		
Other interest payable	(8)	(18)
Net interest receivable	253	564

7 Tax on profit on ordinary activities

	2009	2008
	£'000	£'000
Analysis of charge for the year		
Current tax		
UK corporation tax on profits for the year	3,186	2,454
Adjustments in respect of previous year	(85)	(80)
Total current tax	3,101	2,374
Deferred tax		
Origination and reversal of timing differences	268	(78)
Adjustments in respect of previous years	(101)	280
Total deferred tax (note 12)	167	202
Tax on profit on ordinary activities	3,268	2,576

G4S Utility Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

7 Tax on profit on ordinary activities (continued)

The tax assessed for the year is higher (2008 lower) than the standard rate of corporation tax in the UK of 28% (2008 28.5%). The differences are explained below

Factors affecting tax charge for the year

	2009	2008
	£'000	£'000
Profit on ordinary activities before tax	10,858	11,806
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 28% (2008 28.5%)	3,040	3,365
Effects of		
Expenses not deductible for tax purposes - permanent differences	52	16
Capital allowances for the period in excess of depreciation	(50)	(124)
Other short term timing differences	144	(143)
Adjustment to tax charge in respect of previous periods	(85)	(80)
Tax relief adjustment for additional pension contributions	-	(660)
Current tax charge for the year	3,101	2,374

8 Dividends

	2009	2008
	£'000	£'000
Equity – ordinary		
Proposed and paid £nil (2008 £80) per £1 share	-	8,000

G4S Utility Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

9 Tangible fixed assets

	Short leasehold property	Plant and equipment	Total
	£'000	£'000	£'000
Cost			
At 1 January 2009	1,100	11,297	12,397
Additions	77	662	739
Transfer from group undertakings	-	1,317	1,317
Disposals	(55)	(137)	(192)
At 31 December 2009	1,122	13,139	14,261
Depreciation			
At 1 January 2009	372	7,664	8,036
Transfer from group undertakings	-	525	525
Charge for the year	76	959	1,035
Depreciation on disposals	(19)	(51)	(70)
At 31 December 2009	429	9,097	9,526
Net book value			
At 31 December 2009	693	4,042	4,735
At 31 December 2008	728	3,633	4,361

Assets held under finance leases and capitalised in plant and equipment comprise cost of £74,000 (2008 £74,000), aggregated depreciation of £68,000 (2008 £31,000), and a net book amount of £6,000 (2008 £43,000)

G4S Utility Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

10 Debtors: amounts falling due within one year

	2009	2008
	£'000	£'000
Trade debtors	7,092	8,483
Amounts receivable from group undertakings (members of G4S Plc group)	19,785	7,668
Other debtors	347	-
Prepayments and accrued income	3,980	4,975
	31,204	21,126

Of the £19,785,000 amounts owed by group undertakings, £6,000 relates to trade and carries no interest charge. The residual £19,779,000 constitutes loans to fellow group companies. The loans are repayable to the company on 15 December 2010 and accrue interest at a rate of Libor plus a margin of 1.00%.

11 Debtors: amounts falling due after more than one year

	2009	2008
	£'000	£'000
Deferred tax (note 12)	215	382

12 Deferred taxation

	2009	2008
	£'000	£'000
Accelerated capital allowances	215	382
Total deferred taxation asset	215	382
Deferred tax asset at 1 January	382	584
Deferred tax charge in profit and loss account for the year (note 7)	(167)	(202)
Deferred tax asset at 31 December	215	382

G4S Utility Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

13 Creditors: amounts falling due within one year

	2009	2008
	£'000	£'000
Trade creditors	1,898	4,103
Amount owed to group undertakings (members of G4S Plc group)	9,361	5,194
Other taxation and social security	2,267	2,200
Other creditors	204	149
Accruals and deferred income	4,988	4,436
Net obligations due under finance leases	7	38
	18,725	16,120

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

14 Creditors: amounts falling due after more than one year

	2009	2008
	£'000	£'000
Net obligations due under finance leases	-	7

15 Share capital

	2009	2008
	£'000	£'000
Authorised		
100,000 Ordinary shares of £1 each	100	100
Allotted, called up 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 2009 (continued)

16 Reserves

	Capital contribution reserve	Profit and loss reserve	Total
	£'000	£'000	£'000
At 1 January 2009	-	9,749	9,749
Profit for the financial year	13*	7,590**	7,603
At 31 December 2009	13	17,339	17,352

* G4S Plc has two types of equity-settled, share-based payment schemes in place (1) share options previously held by employees over Securicor Plc shares and rolled over to G4S Plc shares with the acquisition of that business on 19 July 2004, and (2) conditional allocations of G4S Plc shares

** See note 17

17 Reconciliation of movement in total shareholders' funds

	2009	2008
	£'000	£'000
Profit for the financial year	7,590	9,230
Addition to capital contribution reserve	13	-
Dividends	-	(8,000)
Net increase in total shareholders' funds	7,603	1,230
Opening total shareholders' funds	9,849	8,619
Closing total shareholders' funds	17,452	9,849

G4S Utility Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

18 Pension arrangements

The company participates in a group funded defined benefit scheme operated by G4S Regional Management (UK&I) 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 5 April 2009 and has been updated by the scheme's actuary on a FRS17 basis as at 31 December 2009.

The total pension costs charged in the company's profit and loss account for the year ended 31 December 2009 were £1,691,000 (2008: £1,485,000).

As at 31 December 2009 The GSL Pension Scheme has an actuarial surplus of £14,720,000 (2008: surplus £28,600,000). Full FRS17 disclosures are provided in the consolidated financial statements of G4S Regional Management (UK&I) Limited.

19 Capital commitments

There are no capital commitments as at 31 December 2009 (2008: £nil).

20 Financial commitments

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

	2009	2009	2008	2008
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Within one year	-	1,024	-	176
Between two and five years	-	734	-	2,021
More than five years	247	-	247	-
	247	1,758	247	2,197

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.

G4S Utility Services (UK) Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

22 Ultimate parent undertaking

The immediate parent undertaking is G4S Managed Services (UK) Limited, a holding company

G4S Managed Services (UK) Limited is a wholly owned subsidiary of G4S Regional Management (UK) Limited, which is the parent undertaking of the smallest group to consolidate these financial statements. Copies of the G4S Regional Management (UK&I) Limited financial statements 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