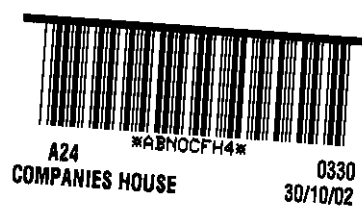


**ACCUREAD LIMITED**  
**REGISTERED NUMBER: 3076187**

**ANNUAL REPORT**

**31 DECEMBER 2001**



# **ACCUREAD LIMITED**

## **ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2001**

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## **ACCUREAD LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2001**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2001.

#### **PRINCIPAL ACTIVITIES**

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

#### **REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

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

#### **RESULTS AND DIVIDENDS**

The results for the year are set out in the profit and loss account on page 4.

An interim dividend of £3,000k was paid during the year (2000 £nil). No final dividend is proposed (2000: £nil). The amount transferred to reserves is set out in the profit and loss account on page 4.

#### **DIRECTORS AND THEIR INTERESTS**

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

Sir Peter Parker  
J A Harrower  
B P Murphy  
B A Wallin  
S R Brown  
C Bolt

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

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

	Options/warrants as at 1 January 2001	Warrants granted	Options/warrants as at 31 December 2001
J A Harrower	2,804	17,002	19,804
S R Brown	2,120	2,124	4,244
B A Wallin	1,131	1,182	2,313

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

#### **EUROPEAN MONETARY UNION**

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

## **ACCUREAD LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)**

#### **DISABLED PERSONS**

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

#### **EMPLOYEE INVOLVEMENT**

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

#### **CHARITABLE AND POLITICAL DONATIONS**

No donations were made for charitable or political purposes(2000 £nil).

#### **AUDITORS**

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

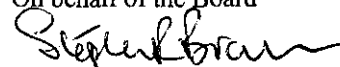
#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business for the foreseeable future.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board



SR Brown  
Director  
4 April 2002

## **ACCUREAD LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACCUREAD LIMITED**

We have audited the financial statements on pages 4 to 16.

#### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 2

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

#### **Basis of audit opinion**

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2001 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
Birmingham  
4 April 2002

# ACCUREAD LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2001

	Note	Year ended 31 December 2001 £'000	Year ended 31 December 2000 £'000
Turnover – continuing operations	2	47,132	47,454
Cost of sales		<u>(35,655)</u>	<u>(39,125)</u>
Gross profit		11,477	8,329
Administrative expenses		<u>(7,174)</u>	<u>(9,154)</u>
Operating profit/(loss) – continuing operations	3	4,303	(825)
Net interest receivable	6	<u>84</u>	<u>324</u>
Profit/(loss) on ordinary activities before taxation		4,387	(501)
Tax on profit/(loss) on ordinary activities	7	<u>(1,430)</u>	<u>(314)</u>
Profit/(loss) for the financial period		2,957	(815)
Dividends	8	<u>(3,000)</u>	-
Amount transferred from reserves	14	<u>(43)</u>	<u>(815)</u>

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

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

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

**ACCUREAD LIMITED****BALANCE SHEET AS AT 31 DECEMBER 2001**

	Note	As at 31 December 2001 £'000	As at 31 December 2000 £'000
<b>Fixed assets</b>			
Tangible assets	9	<u>1,076</u>	<u>1,568</u>
<b>Current assets</b>			
Debtors	10	<u>8,578</u>	<u>7,376</u>
Cash at bank and in hand		<u>5,649</u>	<u>6,868</u>
		<u>14,227</u>	<u>14,244</u>
<b>Creditors: Amounts falling due within one year</b>	11	<u>(9,585)</u>	<u>(10,051)</u>
<b>Net current assets</b>		<u>4,642</u>	<u>4,193</u>
<b>Total assets less current liabilities</b>		<u>5,718</u>	<u>5,761</u>
 <b>Capital and reserves</b>			
Called up share capital	13	<u>100</u>	<u>100</u>
Profit and loss account	14	<u>5,618</u>	<u>5,661</u>
<b>Equity shareholders' funds</b>		<u>5,718</u>	<u>5,761</u>

The financial statements on pages 4 to 16 were approved by the board of directors on 4 April 2002 and were signed on its behalf by:



SR Brown  
Director

**ACCUREAD LIMITED****RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31 DECEMBER 2001**

	<b>Year ended 31 December 2001 £'000</b>	<b>Year ended 31 December 2000 £'000</b>
Profit / (loss) for the financial period	<b>2,957</b>	<b>(815)</b>
Dividends	<b>(3,000)</b>	<b>-</b>
<b>Net reduction to equity shareholders' funds</b>	<b>(43)</b>	<b>(815)</b>
Equity shareholders' funds at 1 January	<b>5,761</b>	<b>6,576</b>
<b>Equity shareholders' funds at 31 December</b>	<b>5,718</b>	<b>5,761</b>



# ACCUREAD LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2001

	Note	Year ended 31 December 2001 £'000	£'000	Year ended 31 December 2000 £'000	£'000
<b>Net cash inflow from operating activities</b>	15		<b>3,693</b>		<b>3,078</b>
<b>Returns on investment and servicing of finance</b>					
Interest received		<u>164</u>		<u>327</u>	
Net cash inflow from returns on investments and servicing of finance			164		327
<b>Taxation</b>			<b>(1,765)</b>		<b>(1,838)</b>
<b>Capital expenditure</b>					
Purchase of tangible fixed assets		<u>(311)</u>		<u>(1,504)</u>	
Net cash outflow for capital expenditure			(311)		(1,504)
<b>Equity dividends paid to shareholders</b>			<u>(3,000)</u>		<u>-</u>
Net cash (outflow)/inflow before use of liquid resources and financing			(1,219)		63
<b>Management of liquid resources</b>					
Reduction in money market deposits with banks		<u>3,105</u>		<u>6,000</u>	
			<u>3,105</u>		<u>6,000</u>
<b>Increase in net cash</b>			<u><b>1,886</b></u>		<u><b>6,063</b></u>
<b>Reconciliation of net cash flow to movement in net funds</b>			<b>2001 £'000</b>		<b>2000 £'000</b>
Increase in cash in the period			<b>1,886</b>		<b>6,063</b>
Movements in deposits			<u><b>(3,105)</b></u>		<u><b>(6,000)</b></u>
Movements in net funds in the period	16		<b>(1,219)</b>		<b>63</b>
Net funds at 1 January			<u><b>6,868</b></u>		<u><b>6,805</b></u>
<b>Net funds at 31 December</b>			<u><b>5,649</b></u>		<u><b>6,868</b></u>

# **ACCUREAD LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001**

### **1 ACCOUNTING POLICIES**

A summary of the company's principal accounting policies is set out below, together with an explanation of any changes that have been made to previous policies due to the adoption of new accounting standards in the year.

The requirements of FRS 18 'Accounting Policies' have been implemented in the current year. There is no financial impact.

#### **(1) Basis of preparation of accounting**

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

The preparation of financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results can differ from these estimates.

#### **(2) Turnover**

Turnover represents the amount receivable, excluding value added tax, for meter reading services supplied.

#### **(3) Deferred taxation**

Deferred taxation arises in respect of items where there is a timing difference between their treatment for accounting purposes and their treatment for taxation purposes. Provision for deferred taxation, using the liability method, is made to the extent that a liability or asset will crystallise in the foreseeable future.

#### **(4) Tangible fixed assets and depreciation**

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

Depreciation is calculated 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 and residual value.

The principal annual rates are as follows:

Short leasehold property	Period of lease
Plant and Equipment	10% to 100%

The period of depreciation is set for each asset following consideration of useful economic lives. This leads to the broad band of annual rates above.

#### **(5) Impairment of fixed assets**

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

## ACCUREAD LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

#### (6) Leased assets

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

#### (7) Pensions and other post retirement benefits

The company is a member of a group scheme which principally operates two funded defined benefits schemes, which are self-administered. The cost of providing pensions and other post retirement benefits is charged to the profit and loss account so as to spread the cost over the employees' remaining service lives. Variations in pension costs, which are identified as a result of actuarial valuations, are amortised over the average expected service lives of the scheme members.

Differences between the payments to the fund and the amounts charged in the profit and loss account are treated as either assets or liabilities in the balance sheet.

Where defined contribution schemes are operated, payments made are charged to the profit and loss account as incurred.

Details of the group pension scheme are included in note 17.

## 2 TURNOVER

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

## 3 OPERATING PROFIT

	Year ended 31 December 2001 £'000	Year ended 31 December 2000 £'000
<b>Operating profit is stated after charging:</b>		
Depreciation of tangible fixed assets	803	816
Operating lease charges		
Land and buildings	126	129
Plant and machinery	2,336	2,796
<b>Auditors remuneration:</b>		
Audit services	21	21
Non-audit services	18	3

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

# ACCUREAD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

### 4 EMPLOYEE INFORMATION

	Year ended 31 December 2001	Year ended 31 December 2000
	£'000	£'000
<b>Staff costs:</b>		
Wages and salaries	18,422	18,645
Social security costs	1,561	1,691
Other pension costs	887	1,316
	<u>20,870</u>	<u>21,652</u>

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

	Number	Number
Direct	1,064	980
Indirect and administration	131	106
	<u>1,195</u>	<u>1,086</u>

### 5 DIRECTORS' EMOLUMENTS

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

	Year ended 31 December 2001	Year ended 31 December 2000
	£'000	£'000
Aggregate emoluments	95	255
Compensation for loss of office	-	180
Aggregate amounts receivable under long term incentive schemes	-	40
	<u>95</u>	<u>475</u>

# ACCUREAD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

### 5 DIRECTORS' EMOLUMENTS (CONTINUED)

Three of the directors of the company are accruing pension benefits as members of the group defined benefit pension scheme (2000: three). No contributions were paid to defined contribution pension schemes for the directors of the company in respect of qualifying services in the period.

### 6 NET INTEREST RECEIVABLE

	Year ended 31 December 2001 £'000	Year ended 31 December 2000 £'000
<b>Interest receivable:</b>		
Bank Interest	164	324
<b>Interest payable:</b>		
Bank Interest	80	-
Net Interest Receivable	84	324

### 7 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 31 December 2001 £'000	Year ended 31 December 2000 £'000
<b>Taxation on the profit for the year</b>		
UK Corporation tax at 30% (2000: 30%)	1,424	245
Deferred tax (note 12)	6	69
	1,430	314

### 8 DIVIDENDS

	Year ended 31 December 2001 £'000	Year ended 31 December 2000 £'000
<b>Equity – Ordinary</b>		
Interim dividend £3,000k (2000: £nil). Final dividend £nil (2000: £nil)	3,000	-

# ACCUREAD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

### 9 TANGIBLE FIXED ASSETS

	Short Leasehold Property £'000	Plant And Equipment £'000	Total £'000
<b>Cost</b>			
At 1 January 2001	115	4,578	4,693
Additions	-	311	311
Transfers	225	(225)	-
<b>At 31 December 2001</b>	<b>340</b>	<b>4,664</b>	<b>5,004</b>
<b>Depreciation</b>			
At 1 January 2001	94	3,031	3,125
Charge for the year	210	593	803
<b>At 31 December 2001</b>	<b>304</b>	<b>3,624</b>	<b>3,928</b>
<b>Net book value</b>			
<b>At 31 December 2001</b>	<b>36</b>	<b>1,040</b>	<b>1,076</b>
At 31 December 2000	21	1,547	1,568

### 10 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2001 £'000	31 December 2000 £'000
Amounts owed by group undertakings	33	39
Trade debtors	7,800	6,342
Other debtors	26	2
Prepayments and accrued income	719	993
	<b>8,578</b>	<b>7,376</b>

# ACCUREAD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

### 11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2001 £'000	31 December 2000 £'000
Trade creditors	1,587	3,018
Amount owed to group undertakings	51	7
Corporation tax	1,372	1,713
Other taxation and social security	2,544	426
Other creditors	227	1,505
Accruals and deferred income	3,804	3,382
	<u>9,585</u>	<u>10,051</u>

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

### 12 DEFERRED TAXATION

	£'000
Deferred tax asset at 1 January 2001	(6)
Charged to profit and loss account (Note 7)	6
As at 31 December 2001	<u>-</u>

The asset recorded in the accounts and full potential deferred taxation asset calculated at 30% (2000 : 30%) are as follows:

	Assets Recorded 2001 £'000	Full Potential 2001 £'000	Assets Recorded 2000 £'000	Full Potential 2000 £'000
Accelerated capital allowances	-	(270)	-	(259)
Other timing differences	-	(74)	(6)	(78)
	<u>-</u>	<u>(344)</u>	<u>(6)</u>	<u>(337)</u>

# ACCUREAD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

### 13 SHARE CAPITAL

	31 December 2001 £'000	31 December 2000 £'000
<b>Authorised, allotted, issued and fully paid:</b>		
100,000 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

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

### 14 RESERVES

	Profit and loss account £'000
As at 1 January 2001	5,661
Amount transferred from reserves for the year	<u>(43)</u>
<b>As at 31 December 2001</b>	<u><b>5,618</b></u>

### 15 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Year ended 31 December 2001 £'000	Year ended 31 December 2000 £'000
Operating profit/(loss)	4,303	(825)
Depreciation charge	803	816
(Increase)/decrease in debtors	(1,208)	3,200
Decrease in creditors	<u>(205)</u>	<u>(113)</u>
<b>Net cash inflow from operating activities</b>	<u><b>3,693</b></u>	<u><b>3,078</b></u>



# ACCUREAD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

### 16 ANALYSIS OF CHANGES IN NET FUNDS

	As at 1 January 2001 £'000	Cash Flows £'000	As at 31 December 2001 £'000
Cash at bank and in hand	6,868	(1,219)	5,649
	<u>6,868</u>	<u>(1,219)</u>	<u>5,649</u>

### 17 PENSION ARRANGEMENTS

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

The latest actuarial valuation of the scheme was carried out as at 31 March 2001. Details of the latest actuarial valuation of this pension scheme are contained in the financial statements of Group 4 Falck Global Solutions Limited. The next actuarial valuation is due as on 31 March 2002.

The total pension costs charged in the profit and loss account for the year ended 31 December 2001 were £1,350,000 (2000: £1,316,000).

### 18 CAPITAL COMMITMENTS

	2001 £'000	2000 £'000
Contracted but not provided for in the accounts	<u>4,865</u>	<u>365</u>

### 19 FINANCIAL COMMITMENTS

At 31 December 2001, the company had annual commitments under non-cancellable operating leases expiring as follows:

	2001 Land and buildings £'000	Other £'000	2000 Land and buildings £'000	Other £'000
Within one year	-	262	-	1,170
Between two and five years	-	-	-	50
More than five years	<u>129</u>	<u>-</u>	<u>129</u>	<u>-</u>
	<u>129</u>	<u>262</u>	<u>129</u>	<u>1,220</u>

# ACCUREAD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001 (CONTINUED)

### 20 RELATED PARTY TRANSACTIONS

During the year to 31 December 2001 the company entered into the following transactions and recorded the following balances with related parties:

Related party	Description of transaction	2001	Balance receivable/ (payable) £'000	2000	Balance receivable/ (payable) £'000
		Income/ (expenditure) £'000		Income/ (expenditure) £'000	
Centrica plc (and subsidiaries thereof)	Meter reading services	30,980	5,121	32,214	2,037
Group 4 Falck Utility Services	Loan written off during the year	-	-	(1,521)	-
Group 4 Falck A/S (and subsidiaries thereof)	Management and Administrative services	(498)	(45)	(596)	(100)

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

### 21 ULTIMATE PARENT UNDERTAKING

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

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

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