

AccuRead Limited

Annual report and financial statements
for the year ended 31 December 2003

Registered number: 3076187



AccuRead Limited

Annual report for the year ended 31 December 2003

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AccuRead Limited

Directors' report for the year ended 31 December 2003

The directors present their report and the audited financial statements of the company for the year ended 31 December 2003.

Principal activities

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

Review of business and future developments

The directors will continue to seek opportunities to expand the customer base of the company and to generate additional income from new meter reading contracts and related activities. During the year AccuRead were awarded 4 British Gas contract areas. Of the six contract areas that AccuRead held, that were due to expire on 31 March 2003, four were extended until 30 September 2003 and two until 3 January 2004.

Results and dividends

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

An interim dividend of £1,000,000 was paid during the year (2002: £nil). No final dividend is proposed (2002: £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:

B P Murphy	(Resigned 31 March 2003)
B A Wallin	
S R Brown	
C Bolt	
C Elliott	
P Lehmann	(Appointed Chairman 1 January 2003)
P Bysouth	(Appointed 1 April 2003)

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

The company is exempted from disclosing interest (if any) of the Directors and their families in the share capital of the ultimate parent company, Group 4 Falck A/S by virtue of the Companies (Disclosure of Directors Interest) (Exemptions) Regulations (SI 1985 no 802).

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

Disabled persons

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

AccuRead Limited

Directors' report for the year ended 31 December 2003 (continued)

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 (2002: £nil).

Auditors

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

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgments and estimates have been made in preparing the financial statements for the year ended 31 December 2003 and that applicable accounting standards have been followed.

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

On behalf of the Board



SR Brown
Director
08 July 2004

Independent auditors' report to the members of AccuRead Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet, reconciliation of movements in equity shareholders' funds, the cash flow statement and the related notes.

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.

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. 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 in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, 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. The other information comprises the directors' report.

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 2003 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 LLP
Chartered Accountants and Registered Auditors
Birmingham
08 July 2004

AccuRead Limited

Profit and loss account for the year ended 31 December 2003

	Note	2003 £'000	2002 £'000
Turnover	2	54,973	50,582
Cost of sales		(42,559)	(40,573)
Gross profit		12,414	10,009
Administrative expenses		(7,261)	(5,935)
Operating profit	3	5,153	4,074
Interest receivable and similar income	6	86	111
Interest payable and similar charges	6	(195)	(48)
Profit on ordinary activities before taxation		5,044	4,137
Taxation on profit on ordinary activities	7	(1,788)	(1,319)
Profit for the financial year		3,256	2,818
Dividends	8	(1,000)	-
Retained profit for the financial year	14	2,256	2,818

All of the above activities relate to continuing activities.

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

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

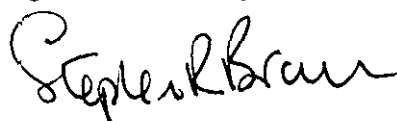
The movements on reserves are shown in note 14 to the financial statements.

AccuRead Limited

Balance sheet as at 31 December 2003

	Note	2003 £'000	2002 £'000
Fixed assets			
Tangible assets	9	238	5,506
Current assets			
Debtors	10	11,826	6,870
Cash at bank and in hand		12,348	7,208
		24,174	14,078
Creditors: amounts falling due within one year	12	(13,276)	(10,704)
Net current assets		10,898	3,374
Net assets		11,136	8,880
Capital and reserves			
Called up share capital	13	100	100
Profit and loss account	14	11,036	8,780
Equity shareholders' funds		11,136	8,880

The financial statements on pages 4 to 18 were approved by the board of directors on 08 July 2004 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 2003

	2003	2002
	£'000	£'000
Profit for the financial year	3,256	2,818
Dividends	(1,000)	-
Net increase to equity shareholders' funds	2,256	2,818
Equity shareholders' funds at 1 January	8,880	6,062
Equity shareholders' funds at 31 December	11,136	8,880

AccuRead Limited

Cash flow statement for the year ended 31 December 2003

	Note	2003	2002
		£'000	£'000
Net cash inflow from operating activities	15	5,050	7,137
Returns on investment and servicing of finance			
Interest received		86	106
Interest paid		(320)	-
Net cash inflow from returns on investments and servicing of finance		(234)	106
Taxation		(2,563)	(600)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(750)	(5,084)
Sale of tangible fixed assets		4,637	-
Net cash inflow/(outflow) for capital expenditure and financial investment		3,887	(5,084)
Equity dividends paid to shareholders		(1,000)	-
Net cash inflow before use of liquid resources and financing		5,140	1,559
Management of liquid resources			
(Increase) in money market deposits with banks		(4,727)	(2,479)
		(4,727)	(2,479)
Increase/(decrease) in net cash		413	(920)

AccuRead Limited

Reconciliation of net cash flow to movement in net funds

	2003	2002
	£'000	£'000
Increase/(decrease) in cash in the period	413	(920)
Movements in deposits	4,727	2,479
Movements in net funds in the period	16	1,559
Net funds at 1 January	7,208	5,649
Net funds at 31 December	12,348	7,208

AccuRead Limited

Notes to the financial statements for the year ended 31 December 2003

1 Accounting policies

A summary of the company's principal accounting policies 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 the Companies Act 1985 and applicable UK accounting and financial reporting standards.

Turnover

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

Deferred taxation

The Company provides in full for deferred tax assets and liabilities arising from the timing differences between the recognition of gains and losses in the financial statements and their recognition for tax purposes.

Deferred tax assets are only recognised where there is a greater likelihood than not that they will be recovered.

Deferred tax assets and liabilities are not discounted.

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 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.

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.

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Notes to the financial statements for the year ended 31 December 2003 (continued)

1 Accounting policies (continued)

Leased assets

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

Pensions and other post retirement benefits

The company is a member of 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 in the group company.

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 of the group.

Where defined contribution schemes are operated, payments made are charged to the profit and loss account in the year they are payable.

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

2 Turnover

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

3 Operating profit

	2003	2002
	£'000	£'000
Operating profit is stated after charging:		
Depreciation of tangible fixed assets	1,381	654
Operating lease charges		
Land and buildings	107	100
Plant and machinery	2,279	2,514
Auditors remuneration:		
Audit services	21	21
Non-audit services	7	23

AccuRead Limited

Notes to the financial statements for the year ended 31 December 2003 (continued)

4 Employee information

	2003	2002
	£'000	£'000
Staff costs:		
Wages and salaries	20,911	19,578
Social security costs	1,656	1,652
Other pension costs (note 17)	1,247	1,235
	23,814	22,465
The average monthly number of persons (including executive directors) employed by the company during the year was:		
	Number	Number
Direct	1,091	1,074
Indirect and administration	137	131
	1,228	1,205

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.

	2003	2002
	£'000	£'000
Aggregate emoluments	88	138
	88	138

Three of the directors of the company are accruing pension benefits as members of the group defined benefit pension scheme (2002: three). No contributions were paid to defined contribution pension schemes for the directors of the company in respect of qualifying services in the period.

AccuRead Limited

Notes to the financial statements for the year ended 31 December 2003 (continued)

6 Interest

	2003	2002
	£'000	£'000
Interest receivable:		
Bank interest	86	111
Interest payable:		
Other interest	(195)	(48)
Net interest	(109)	63

7 Taxation on profit on ordinary activities

Analysis of charge in the period

	2003	2002
	£'000	£'000
Current tax		
UK corporation tax on profits of the period	1,889	923
Adjustments in respect of previous periods	286	74
Total current tax	2,175	997
Deferred tax		
Origination and reversal of timing differences	(387)	322
Total deferred tax	(387)	322
Tax on profit on ordinary activities	1,788	1,319

AccuRead Limited

Notes to the financial statements for the year ended 31 December 2003 (continued)

7 Taxation on profit on ordinary activities (continued)

The tax assessed for the period is higher (2002: lower) than the standard rate of corporation tax in the UK (30%). The differences are explained below:

Factors affecting tax charge for the period

	2003	2002
	£'000	£'000
Profit on ordinary activities before tax	5,044	4,137
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 30% (2002: 30%)	1,513	1,241
Effects of:		
Expenses not deductible for tax purposes		
-Timing differences	1	6
-Permanent differences	99	23
Capital allowances for the period in excess of depreciation	276	(347)
Adjustment to tax charge in respect of previous periods	286	74
Current tax charge for the period	2,175	997

8 Dividends

	2003	2002
	£'000	£'000
Equity – Ordinary		
Interim dividend £1,000,000 (2002: £nil). Final dividend £nil (2002: £nil)	1,000	-

AccuRead Limited

Notes to the financial statements for the year ended 31 December 2003 (continued)

9 Tangible fixed assets

	Short leasehold property £'000	Plant and equipment £'000	Total £'000
Cost			
At 1 January 2003	340	9,748	10,088
Additions	-	750	750
Disposals	-	(5,429)	(5,429)
At 31 December 2003	340	5,069	5,409
Depreciation			
At 1 January 2003	340	4,242	4,582
Charge for the year	-	1,381	1,381
Disposals	-	(792)	(792)
At 31 December 2003	340	4,831	5,171
Net book value			
At 31 December 2003	-	238	238
At 31 December 2002	-	5,506	5,506

During the year, fixed assets with a net book value of £4,636,542 were disposed of at book value to a third party bank. The Company entered into an operating lease with the purchaser to continue to use the assets in the normal course of business. The committed payments under this lease are disclosed in note 19.

10 Debtors: amounts falling due within one year

	2003 £'000	2002 £'000
Trade debtors	7,599	5,253
Amounts owed by group undertakings	361	-
Other debtors	7	2
Prepayments and accrued income	3,450	1,593
Deferred tax (see note 11)	409	22
	11,826	6,870

AccuRead Limited

Notes to the financial statements for the year ended 31 December 2003 (continued)

11 Deferred taxation

	2003	2002
	£'000	£'000
Accelerated capital allowances	(342)	44
Other timing differences	(67)	(66)
Total deferred taxation asset	(409)	(22)
Provision at start of period	(22)	(344)
Deferred tax charge in profit and loss account for the period	(387)	322
Deferred tax asset at 31 December	(409)	(22)

	2003
	£'000
Deferred tax (asset)/liability	
At 1 January 2003	(22)
Deferred tax charge on profit and loss account (note 7)	(387)
At 31 December 2003	(409)

12 Creditors: amounts falling due within one year

	2003	2002
	£'000	£'000
Trade creditors	1,944	1,492
Amount owed to group undertakings	297	141
Corporation tax	1,377	1,765
Other taxation and social security	1,157	930
Other creditors	232	332
Accruals and deferred income	8,269	6,044
	13,276	10,704

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.

AccuRead Limited

Notes to the financial statements for the year ended 31 December 2003 (continued)

13 Share capital

	2003	2002
	£'000	£'000
Authorised, allotted, issued and fully paid:		
100,000 Ordinary shares of £1 each	100	100

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 GSL Utility Services Limited (formerly 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
At 1 January 2003	8,780
Retained profit for the financial year	2,256
As at 31 December 2003	11,036

15 Reconciliation of operating profit to net cash inflow from operating activities

	2003	2002
	£'000	£'000
Operating profit	5,153	4,074
Depreciation charge	1,381	652
(Increase)/decrease in debtors	(4,569)	1,730
Increase in creditors	3,085	681
Net cash inflow from operating activities	5,050	7,137

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Notes to the financial statements for the year ended 31 December 2003 (continued)

16 Analysis of changes in net funds

	2002	Cash flows	2003
	£'000	£'000	£'000
Cash at bank and in hand	7,208	5,140	12,348

17 Pension arrangements

The company participates in a group funded defined benefit scheme operated by Global Solutions Limited 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 2002. Details of the latest actuarial valuation of this pension scheme are contained in the financial statements of Global Solutions Limited. The next actuarial valuation is due as on 31 March 2005.

The total pension costs charged in the profit and loss account for the year ended 31 December 2003 were £1,247,000 (2002: £1,235,000).

18 Capital commitments

	2003	2002
	£'000	£'000
Contracted but not provided for in the accounts	441	629

19 Financial commitments

At 31 December 2003, the company had annual commitments under non-cancellable operating leases expiring as follows:

	2003	2003	2002	2002
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Within one year	-	761	-	-
Between two and five years	104	1,702	-	1,827
More than five years	-	-	104	-
	104	2,463	104	1,827

AccuRead Limited

Notes to the financial statements for the year ended 31 December 2003 (continued)

20 Related party transactions

During the year to 31 December 2003 the company entered into the following transactions and recorded the following balances with related parties:

Related party	Description of transaction	2003	2003	2002	2002
		Income/ (expenditure)	Balance receivable/ (payable)	Income/ (expenditure)	Balance receivable/ (payable)
		£'000	£'000	£'000	£'000
Centrica plc (and subsidiaries thereof)	Meter reading services	35,715	5,309	32,742	3,019
Group 4 Falck A/S (and subsidiaries thereof)	Management and administrative services	(574)	293	(453)	(41)

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

21 Post balance sheet event

On 26 May 2004 Group 4 Falck A/S exchanged contracts for the sale, subject to certain conditions, of its interest in Global Solutions Limited, the parent company of AccuRead Limited, to a company controlled by venture capital funds associated with Engelfield Capital and Electra Partners Europe.

22 Ultimate parent undertaking

The company is a subsidiary of GSL Utility Services Limited (formerly Group 4 Falck Utility Services Limited), a wholly owned subsidiary of Global Solutions Limited (formerly Group 4 Falck Global Solutions Limited). GSL 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 smallest group of undertakings for which consolidated accounts are available is Global Solutions Limited (formerly Group 4 Falck Global Solutions Limited). Copies of the Global Solutions Limited financial statements can be obtained from the Company Secretary, Farncombe House, Broadway, Worcestershire, WR12 7LJ.

The ultimate parent at 31 December 2003 is Group 4 Falck A/S, a company incorporated in Denmark, which is the parent undertaking of the largest group for which consolidated financial statements are available. Copies of the Group 4 Falck A/S financial statements can be obtained from the Company Secretary, Politortorvet, DK-1780 Copenhagen V, Denmark.