

**Dyno-Security Services Limited**

**Registered No: 3359974**

**Annual report and financial statements  
for the year ended 31 December 2005**



## **DYNO-SECURITY SERVICES LIMITED**

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## **Dyno-Security Services Limited**

### **Directors' report**

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The Directors present their report and audited financial statements of Dyno-Security Services Limited (the "Company") for the year ended 31 December 2005.

#### **Principal activities and review of business**

The principal activity of the Company is the operation of a security services business.

The Company plans to continue to develop its core business.

#### **Financial results and dividends**

The profit for the year, after taxation, amounted to £50,825 (2004 – profit of £16,718). Accordingly, the profit for the year has been transferred to reserves. The profit and loss account is set out on page 6.

As at 31 December 2005, the Company had net assets of £67,643 (31 December 2004: net assets £16,818). The detail on the balance sheet is on page 7.

No dividends were paid for the year ended 31 December 2005 (2004: £nil).

#### **Directors**

The following served as Directors during the year:

Centrica Directors Limited

At no time during the year ended 31 December 2005, did the sole Director have any interests in the shares of the Company or any other company within the Centrica group.

There were no contracts of significance during or at the end of the financial year to which the Company or any subsidiary and associated undertakings is a party and in which any director is or was materially interested.

#### **Related party transactions**

The Company has taken advantage of the exemptions within Financial Reporting Standard No 8 "Related Party Disclosures" from disclosure of transactions with other Centrica group companies. There have been no disclosable related party transactions during the year (2004: £nil).

#### **Creditor payment policy**

It is the Company's policy to pay all of its creditors in accordance with the policies set out below. For all other trade creditors, it is the Company's policy to:

- i. agree the terms of payment in advance with the supplier;
- ii. ensure that suppliers are aware of the terms of payment; and
- iii. pay in accordance with contractual and other legal obligations.

The number of days' purchases outstanding as at 31 December 2005 was 30 (31 December 2004: 36).

**Dyno-Security Services Limited**

**Directors' report (continued)**

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**Financial risk management procedures**

The Directors do not consider that the Company has any significant financial risks. The Company is a part of Centrica group and financial risk management is covered by the group functions. For more details see Centrica annual report – notes to the financial statements (accounting policies and financial instruments sections).

Financial risk in respect of currency, interest rate and liquidity are managed by Centrica treasury. Cash balances, over and above, day-to-day operating requirements are remitted to Centrica.

The nature of the Company's customer base is such that its counterparty risk is restricted almost entirely to its franchise operations. In the case of non franchise counterparty risk it is the Company's policy to limit exposure by setting credit limits and reviewing credit status regularly with recognised credit reference agencies.

**Political and charitable donations**

The Company made no political or charitable donations during the year (2004: £nil).

**Directors' and officers' Liability**

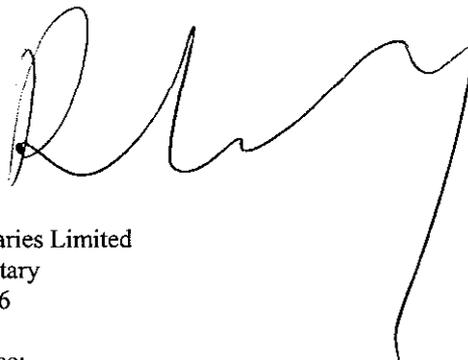
Directors' and officers' liability insurance has been purchased by the ultimate parent company Centrica plc, and was in place throughout the year under review.

**Auditors**

Pursuant to Section 386 of the Companies Act 1985, the Company has dispensed with the obligation to appoint auditors annually. PricewaterhouseCoopers LLP will continue to act as auditors of the Company.

Pursuant to Section 366A of the Companies Act 1985 the Company has dispensed with the obligation to hold an annual general meeting and pursuant to Section 379A the Company has dispensed with the requirement to lay accounts before a general meeting.

This report was approved by the Board on 13 October 2006.



Centrica Secretaries Limited  
Company Secretary  
13 October 2006

Registered Office:  
Millstream  
Maidenhead Road  
Windsor  
Berkshire SL4 5GD

## **Dyno-Security Services Limited**

### **Statement of directors responsibilities for preparing the financial statements**

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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 and of the profit or loss 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; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

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

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

**Dyno-Security Services Limited**

**Independent auditors' report to the members of Dyno-Security Services Limited**

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We have audited the financial statements of Dyno-Security Services Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is 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 other transactions is not disclosed.

We read other information contained in this report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of audit opinion**

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

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

**Opinion**

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Cornwall Court  
19 Cornwall Street  
Birmingham B3 2DT

13 October 2006

**Dyno-Security Services Limited**

**Profit and loss account for the year ended 31 December**

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	<i>Notes</i>	<b>2005</b> £	2004 £
<b>Turnover – continuing operations</b>	2	<b>96,991</b>	21,454
Cost of Sales		-	(147)
		<hr/>	<hr/>
<b>Gross Profit – continuing operations</b>		<b>96,991</b>	21,307
Administrative expenses		(46,166)	(4,589)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	3	<b>50,825</b>	16,718
Taxation	6	-	-
		<hr/>	<hr/>
<b>Profit for the financial year</b>	10	<b>50,825</b>	<b>16,718</b>

There were no recognised gains or losses other than the profit for the financial year.

The notes on pages 8 to 11 form part of these financial statements.

**Dyno-Security Services Limited**

**Balance Sheet**  
**As at 31 December**

	<i>Notes</i>	<b>2005</b> £	<b>2004</b> £
<b>Current assets</b>			
Debtors	7	<b>187,998</b>	42,826
Cash at bank and in hand		<b>1,636</b>	442
		<hr/>	<hr/>
		<b>189,634</b>	43,268
<b>Creditors: amounts falling due within one year</b>	8	<b>(121,991)</b>	(26,450)
		<hr/>	<hr/>
<b>Net current assets</b>		<b>67,643</b>	16,818
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		<b>67,643</b>	16,818
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	9	<b>100</b>	100
Profit and loss account	10	<b>67,543</b>	16,718
		<hr/>	<hr/>
<b>Shareholder's funds - equity</b>	10	<b>67,643</b>	16,818
		<hr/>	<hr/>

The financial statements were approved and authorised for issue by the Board of Directors on 13 October 2006 and were signed on its behalf by:

Director

  
**FOR AND ON BEHALF OF CENTRICA DIRECTORS LIMITED**

The notes on pages 8 to 11 form part of these financial statements.

**1. Principal accounting policies**

**Accounting principles**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention and the Companies Act 1985.

**Basis of preparation**

The Company is a wholly owned subsidiary undertaking of Dyno Holdings Limited, which is ultimately a wholly owned subsidiary undertaking of Centrica plc. The Company has taken advantage of the exemptions within FRS 1, Cash Flow Statements, from presenting a cash flow statement; and within FRS 8, Related Party Disclosures, from disclosing transactions with other group companies.

**Turnover**

Turnover represents the total amount receivable in respect of royalty income, licence fees and equipment provided to franchisees during the year, excluding value added tax.

Licence fees are recognised in the period in which the licence agreement is signed.

**Deferred taxation**

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**2. Turnover**

Turnover and operating profit arise wholly within the British Isles. An analysis of turnover by activity is as follows:

	2005	2004
	£	£
Franchise royalty income	47,878	1,454
Licence fees	49,113	20,000
	<u>96,991</u>	<u>21,454</u>

## Dyno-Security Services Limited

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### 3. Profit on ordinary activities before taxation

This is stated after charging:

	2005 £	2004 £
Auditors' remuneration	<u>3,000</u>	<u>2,000</u>

### 4. Staff costs

The Company does not employ any staff directly. Operating functions are performed by staff employed and remunerated by other group companies.

### 5. Directors' remuneration

The Directors of the Company received no remuneration from the company (2004: £nil). The emoluments of Directors who are also directors of a parent undertaking within the group are disclosed in the financial statements of the relevant parent undertaking. It is not possible to identify separately their emoluments relating to services as Directors of Dyno-Security Services Limited.

### 6. Tax on profit on ordinary activities

(a) Analysis of charge in year:

	2005 £	2004 £
<i>Current tax</i>		
Current tax charge	-	-
Adjustments in respect of previous periods	-	-
<b>Total current tax (note 6 (b))</b>	<u>-</u>	<u>-</u>

(b) Factors affecting tax charge for the year:

	2005 £	2004 £
Profit on ordinary activities before tax	<u>50,825</u>	<u>16,718</u>
Tax on profit on ordinary activities at standard UK rate of corporation tax of 30% (2004: 30%)	15,248	5,015
<i>Effects of:</i>		
Group relief for nil consideration	<u>(15,248)</u>	<u>(5,015)</u>
<b>Current tax charge for the year (note 6 (a))</b>	<u>-</u>	<u>-</u>

**Dyno-Security Services Limited**

**7. Debtors**

	2005 £	2004 £
Trade debtors	152,203	541
Other debtors	-	1,312
Amount owed by parent undertaking	20,726	29,210
Other taxes and social security costs	-	724
Prepayments and accrued income	15,069	11,039
	<u>187,998</u>	<u>42,826</u>

Intercompany loans are unsecured, interest rate free and repayable on demand.

**8. Creditors: amounts falling due within one year**

	2005 £	2004 £
Trade creditors	304	754
Amounts owed to other group undertakings	109,519	13,845
Other taxes and social security costs	6,468	-
Accruals and deferred income	5,700	11,851
	<u>121,991</u>	<u>26,450</u>

Intercompany loans are unsecured, interest rate free and repayable on demand.

**9. Share Capital**

	2005 £	2004 £
<b>Authorised, allotted, issued and fully paid</b>		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

**10. Reconciliation of shareholders' funds and movements on reserves**

	Share capital £	Profit and loss account £	Total shareholders' funds £
At 1 January 2005	100	16,718	16,818
Profit for the financial year	-	50,825	50,825
	<u>100</u>	<u>67,543</u>	<u>67,643</u>

**11. Ultimate parent company**

The immediate parent undertaking is Dyno-Rod Limited, a wholly owned subsidiary of Dyno Holdings Limited. Dyno Holdings Limited is an indirect and wholly owned subsidiary undertaking of Centrica plc, a company registered in England and Wales. Centrica plc is the ultimate parent undertaking. Copies of the Annual Report of Centrica plc, may be obtained from [www.centrica.com](http://www.centrica.com).

The immediate parent company of Dyno Holdings Limited is GB Gas Holdings Limited, a wholly owned subsidiary of Centrica plc, registered in England and Wales.

**12. Related party transactions**

The company has taken advantage of the exemption from the requirement to disclose transactions with group companies, conferred on 90% or more owned subsidiary undertakings.