

Company Registration Number: 04800317

Capital Meters Limited

Directors' report and Financial Statements

For the year ended 31 March 2007



CAPITAL METERS LIMITED

Directors Report and Financial Statements For the year ended 31 March 2007

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CAPITAL METERS LIMITED

GENERAL INFORMATION**Directors**

C Chanter
G Farrell
J Wilson
J Harvey
M Gray

Alternate Directors

P Maher	(alternative to M Gray)
G Farrell	(alternative to J Wilson)
J Wilson	(alternative to G Farrell)

Secretary

R Tallentire
D Tan

Registered Office

Level 30
CityPoint
1 Ropemaker Street
London EC2Y 9HD

Auditors

PricewaterhouseCoopers LLP
Abacus House
Castle Park
Cambridge
CB3 0AN

Company number: 04800317

CAPITAL METERS LIMITED

DIRECTORS' REPORT

The directors present their third annual report and audited financial statements for Capital Meters Limited ("the Company") for the year ended 31 March 2007

REVIEW OF THE BUSINESS

The principal activity of the Company is the supply and maintenance of gas and electricity metering points

Financial Risk Management

The key risks associated with the business have been addressed and either covered within the main energy supply contracts or the service provision contracts in order to minimise the exposure of the company to any key operating risks other than that of finance

Interest rate risk management

Interest rate risk has been covered by the company securing a long term, fully hedged, loan facility to fund its major metering services contract with British Gas Trading

Key Performance Indicators

The Key Performance Indicators for the business are,

- Number of meters fitted against agreed levels – In the year ended 31 March installed volumes exceed minimum targets,
- Standard of services – In the year ended 31 March 2007, 100% of 'high level complaints' were resolved within standard and call centre surpassed the standard for the majority of the year,
- Safety – in the year to 31 March 2007, all safety targets were achieved

RESULTS AND DIVIDENDS

The loss for the year amounts to £390,000 (March 2006 Loss £84,518) No dividend is proposed in 2007 (2006 £nil)

DIRECTORS AND THEIR INTERESTS

The directors holding office during the year were as follows

Directors

C Chanter
G Farrell
J Wilson
J Harvey
M Gray

Alternate Directors

P Maher	(alternative to M Gray)
G Farrell	(alternative to J Wilson)
J Wilson	(alternative to G Farrell)

None of the directors had an interest in any material contract with the Company during the year None of the directors held interests in shares of the Company during the year

AUDITORS

Pursuant to Section 386 of the Companies Act 1985, an elective resolution was passed resolving that the Company dispense with the requirement to appoint auditors annually

CAPITAL METERS LIMITED

DIRECTORS' REPORT (CONTINUED)**ANNUAL GENERAL MEETING**

The Company has dispensed with the obligation to hold an Annual General Meeting, as permitted under Section 366A of the Companies Act 1985

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 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 presume that the company will continue in business.

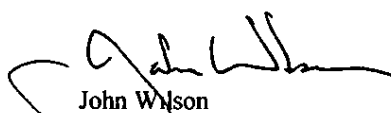
The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2007 and that applicable accounting standards have been followed.

So far as the Directors are aware, there is no relevant audit information of which the Company's Auditors are unaware.

The Directors have taken all the steps that ought to have been taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

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.

Approved by the board of directors
and signed on behalf of the board



John Wilson
Director
18 July 2007

CAPITAL METERS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAPITAL METERS LIMITED

We have audited the financial statements of Capital Meters Limited for the year ended 31 March 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

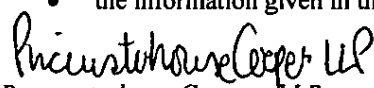
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and 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 March 2007 and of its loss and cash flows for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Cambridge
19 July 2007

CAPITAL METERS LIMITED**PROFIT AND LOSS ACCOUNT**
For the year ended 31 March 2007

	<i>Notes</i>	Year ended 31 March 2007 £	Year ended 31 March 2006 £
Turnover		9,917,387	6,876,850
Operating costs		<u>(6,207,881)</u>	<u>(4,311,978)</u>
Gross profit		3,709,506	2,564,872
Administrative expenses		<u>(360,144)</u>	<u>(284,599)</u>
OPERATING PROFIT		3,349,362	2,280,273
Interest receivable and similar income	5	87,313	102,403
Interest payable and similar charges	6	<u>(3,993,818)</u>	<u>(2,503,541)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	7	(557,143)	(120,865)
Tax on loss on ordinary activities	8	<u>167,143</u>	<u>36,347</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(390,000)	(84,518)
RETAINED LOSS BROUGHT FORWARD		<u>(1,703,566)</u>	<u>(1,619,048)</u>
RETAINED LOSS CARRIED FORWARD		<u>(2,093,566)</u>	<u>(1,703,566)</u>

Turnover and loss on ordinary activities before taxation relate wholly to continuing operations

There are no material differences between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalent

A statement of total recognised gains and losses has not been provided as all gains and losses are dealt with in the profit and loss account

The notes on pages 8 to 18 form part of these financial statements

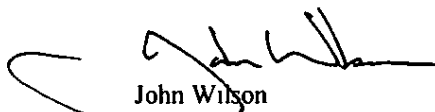
CAPITAL METERS LIMITED**BALANCE SHEET AS AT 31 March 2007**

	<i>Notes</i>	2007 £	2006 £
FIXED ASSETS			
Tangible assets	9	<u>47,484,168</u> 47,484,168	<u>29,993,555</u> 29,993,555
CURRENT ASSETS			
Debtors	10	9,127,362	4,788,819
Prepaid pre contract costs		1,352,022	1,413,477
Cash at bank and in hand	11	<u>3,267,395</u> 13,746,779	<u>959,248</u> 7,161,544
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	(6,931,764)	(6,784,686)
NET CURRENT ASSETS		<u>6,815,015</u>	<u>376,858</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>54,299,183</u>	<u>30,370,413</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13	(51,573,665)	(29,519,027)
PROVISIONS FOR LIABILITIES AND CHARGES	19	(4,769,084)	(2,504,952)
TOTAL NET LIABILITIES		<u>(2,043,566)</u>	<u>(1,653,566)</u>
CAPITAL AND RESERVES			
Called up share capital	14	50,000	50,000
Profit and loss account		(2,093,566)	(1,703,566)
EQUITY SHAREHOLDERS' DEFICIT	15	<u>(2,043,566)</u>	<u>(1,653,566)</u>

The notes on pages 8 to 18 form part of these financial statements

These financial statements were approved by the board of directors on 18 July 2007

Signed on behalf of the board of directors


John Wilson
Director

CAPITAL METERS LIMITED**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 March 2007**

	<i>Notes</i>	Year ended 31 March 2007 £	Year ended 31 March 2006 £
Reconciliation of operating loss to net cash flow from operating activities			
Operating profit		3,349,362	2,280,273
Depreciation charges		2,840,208	1,308,846
Loss on disposal		253	-
Amortisation of pre contract costs		61,455	61,459
Increase in debtors		(1,907,268)	(753,992)
(Decrease) / Increase in creditors		(114,338)	1,262,790
Net cash inflow from operating activities		4,229,672	4,159,376
Cash flow statement			
Cash flow from operating activities		4,229,672	4,159,376
Returns on investments and servicing of finance	17	(3,517,245)	(1,639,111)
Capital expenditure	17	(20,331,074)	(22,294,846)
Taxation		-	164,219
Cash outflow before financing		(19,618,647)	(19,610,362)
Financing	17	21,926,794	19,893,615
Increase in cash in the year		2,308,147	283,253
Reconciliation of net cash flow to movement in net debt			
Increase in cash in the year		2,308,147	283,253
Change in net debt resulting from cash flows	18	(21,926,794)	(19,893,615)
Amortisation of financing costs		(127,844)	(66,709)
Movement in net debt in the year		(19,746,491)	(19,677,071)
Net debt at the start of the year		(28,559,779)	(8,882,708)
Net debt at the end of the year		(48,306,270)	(28,559,779)

CAPITAL METERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention in accordance with Schedule 4 to the Companies Act 1985 and with applicable accounting standards. Based on the company's projected plans for its major metering services contract with British Gas Trading Limited as previously reported, the contractual terms of those arrangements, and the long term financing arrangements with its funders, the Directors consider it appropriate to prepare the accounts on a going concern basis notwithstanding that a deficit on shareholders' funds arises in the early phase of the project.

The particular policies adopted in the preparation of these financial statements and those of the previous year are described below as follows

a) TURNOVER

Turnover is the rental income receivable from meters and income receivable from transactional work for services provided and excludes Value Added Tax. All turnover relates to the principal activity of the company. Turnover also includes meterworks costs charged to energy supplier under the term of contract.

b) INTEREST

Interest receivable and similar income and interest payable and similar charges are brought to account on an accruals basis.

c) TAXATION AND DEFERRED TAXATION

The charge for taxation is based on the loss for the period and takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is provided fully in respect of all timing differences between the accounting and tax treatment of income and expenses at the reporting date, the anticipated reversal of which will result in a change in future liability to tax. The provision is calculated using the rates expected to be applicable when the asset or liability crystallises based on current tax rates and law and is measured on a non-discounted basis. A 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 assets and liabilities are not discounted.

d) TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided in equal monthly instalments on a straight-line basis over the estimated useful lives of the assets. The rates of depreciation are as follows

Metering Equipment	5% - 10%	per annum
Office equipment	20%	per annum
Furniture and fittings	20%	per annum
Computers	20%	per annum

Meters Awaiting Installation are not depreciated until they have been installed and are earning a rental.

CAPITAL METERS LIMITED

Notes (continued)**e) PRE CONTRACT COSTS**

In accordance with UITF 34 Pre-contract costs have been capitalised and are being amortised over the life of the contract

f) IMPAIRMENT

Tangible fixed assets are reviewed for impairment if there are events or changes in circumstances that indicate that the carrying values may not be recoverable

g) LEASED ASSETS

Equipment leased to customers under operating leases are capitalised in accordance with 1d above Operating lease income is accounted for on a straight-line basis, with any rental increases recognised in the period to which they relate

h) FINANCIAL INSTRUMENTS AND DEBT ISSUE COSTS

Derivatives instruments are used for hedging purposes in line with the companies risk management policy and no trading in financial instruments is undertaken Loans and other borrowings are recorded using the contracted rate implicit within the financial instruments used to hedge the company's exposure to interest rates Similarly interest is charged to the profit and loss account based on the contracted interest rates Issue costs are amortised at a constant rate over the life of the underlying instrument

i) CASH AT BANK AND IN HAND

Cash at bank and in hand comprises cash on hand, deposits held at call with banks and other short-term highly liquid investments

j) OPERATING LEASES

Costs in respect of the company's operating lease are charged on a straight-line basis over the lease term

CAPITAL METERS LIMITED

Notes (continued)**2. SEGMENTAL REPORTING**

All activities are generated in the United Kingdom and relate to the Company's principal business

3. STAFF NUMBERS AND COSTS

The average number of persons employed by the company during the year, analysed by category, was as follows

	Number of employees	
	Year ended 31 March 2007	Year ended 31 March 2006
Management	4	3
	4	3

The aggregate payroll costs of these persons were as follows

	Year ended 31 March 2007 £	Year ended 31 March 2006 £
Wages and salaries	239,394	127,128
Social security costs	25,429	12,632
Other pension costs	7,711	6,661
	272,534	146,421

4. DIRECTORS' REMUNERATION

None of the directors of the Company received remuneration in their capacity as directors of the Company

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 March 2007 £	Year ended 31 March 2006 £
Interest receivable from third parties	87,313	102,403
	87,313	102,403

CAPITAL METERS LIMITED**Notes (continued)****6. INTEREST PAYABLE AND SIMILAR CHARGES**

	Year ended 31 March 2007 £	Year ended 31 March 2006 £
Interest payable to third parties	2,650,086	1,345,236
Interest payable to Group companies	640,322	390,714
Other related charges paid to third parties	703,410	767,591
	<u>3,993,818</u>	<u>2,503,541</u>

7. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is stated after charging / crediting

	Year ended 31 March 2007 £	Year ended 31 March 2006 £
Depreciation expenses	2,840,208	1,308,846
Loss on disposal	253	-
Amortisation of pre contract costs	61,456	61,455
Amortisation of initial finance costs	127,844	66,709
Auditors' remuneration		
Statutory audit	17,850	17,000
Operating lease charges - Land and Buildings	8,116	7,898
After crediting		
Operating lease income	6,974,055	2,998,130

8. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

Analysis of tax charge for the year

	Year ended 31 March 2007 £	Year ended 31 March 2006 £
Current tax		
UK corporation tax at 30%		
Prior year	65,350	(646,150)
Current year	(2,496,625)	(1,895,149)
Total current tax	<u>(2,431,275)</u>	<u>(2,541,299)</u>
Deferred tax		
Origination and reversal of timing differences - prior year	(65,350)	646,101
Origination and reversal of timing differences - current year	2,329,482	1,858,851
Total Deferred tax	<u>2,264,132</u>	<u>2,504,952</u>
Tax credit on loss on ordinary activities	<u>(167,143)</u>	<u>(36,347)</u>

CAPITAL METERS LIMITED**Notes (continued)****Factors affecting tax charge for the year**

The current taxation credit for the year ended 31 March 2007 is explained below

	Year ended 31 March 2007 £	Year ended 31 March 2006 £
Loss on ordinary activities before taxation	(557,143)	(120,865)
Current tax at 30%	(167,143)	(36,259)
Effects of Excess of depreciation over capital allowances Other	(2,329,482)	(1,858,851)
Adjustment to tax charge in respect of previous periods	65,350	(646,189)
Total current tax credit as above	(2,431,275)	(2,541,299)

9. TANGIBLE FIXED ASSETS

	Fixtures, fittings and computers £	Installed Meters £	Meters awaiting installation £	Total £
COST				
At 1 April 2006	17,450	29,891,386	1,524,769	31,433,605
Additions	6,506	9,408,359	11,914,179	21,329,044
Installations	-	10,944,345	(10,944,345)	-
Disposals	(1,172)	-	(997,970)	(999,142)
At 31 March 2007	22,784	50,244,090	1,496,633	51,763,507
ACCUMULATED DEPRECIATION				
At 1 April 2006	6,757	1,433,293	-	1,440,050
Charge for the year	4,524	2,831,391	4,293	2,840,208
Disposals	(919)	-	-	(919)
At 31 March 2007	10,362	4,264,684	4,293	4,279,339
NET BOOK AMOUNT				
As at 31 March 2007	12,422	45,979,406	1,492,340	47,484,168
As at 31 March 2006	10,693	28,458,093	1,524,769	29,993,555

Assets with a cost of £50,244,090 (2006 £29,891,386) and net book value of £45,979,406 (2006 £28,458,093) are held for use in operating lease agreements

CAPITAL METERS LIMITED**Notes (continued)****10. DEBTORS**

	2007	2006
	£	£
Trade debtors	1,641,614	843,511
VAT recoverable	608,224	300,822
Group relief receivable	5,502,231	3,070,956
Other debtors	191,021	69,407
Prepayments and accrued income	1,184,272	504,123
	<u>9,127,362</u>	<u>4,788,819</u>

11. CASH AT BANK AND IN HAND

	2007	2006
	£	£
Cash at bank	3,267,395	959,248
	<u>3,267,395</u>	<u>959,248</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Trade creditors	4,290,476	4,361,786
Amounts owed to group undertakings	213,912	390,698
Other taxes and social security	7,972	3,779
Other creditors	436,205	374,007
Accruals	1,983,199	1,654,416
	<u>6,931,764</u>	<u>6,784,686</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2007	2006
	£	£
Bank Loans and overdrafts	49,695,143	28,662,908
Other loans	4,027,254	3,132,695
	<u>53,722,397</u>	<u>31,795,603</u>
Less issue costs	(2,148,732)	(2,276,576)
	<u>51,573,665</u>	<u>29,519,027</u>

Bank loans and overdrafts comprise long-term senior and mezzanine debts. These debts have been hedged for the life of the loan by way of fixed interest rate swaps at 5.43% and 5.46%, respectively.

The bank loans are secured by a fixed charge over the assets of the company.

CAPITAL METERS LIMITED**Notes (continued)****Analysis of debt:**

	2007 £	2006 £
Debt can be analysed as falling due		
In one year or less, or on demand	2,923,388	463,179
Between one and two years	4,413,237	1,026,507
Between two and five years	9,399,742	6,850,953
In five years or more	36,986,030	23,454,964
	<u>53,722,397</u>	<u>31,795,603</u>

Other Loans

Other loans comprise subordinated unsecured variable rate perpetual loan notes issued to the shareholders. Subject to certain conditions the loan notes will bear interest up to 16.5% per annum.

14. SHARE CAPITAL

	2007 £	2006 £
AUTHORISED		
50,000 ordinary shares of £1 each	50,000	50,000
	<u>50,000</u>	<u>50,000</u>
ALLOTTED, CALLED UP AND FULLY PAID		
50,000 ordinary shares of £1 each	50,000	50,000
	<u>50,000</u>	<u>50,000</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2007 £	2006 £
Opening shareholders' deficit	(1,653,566)	(1,569,048)
Loss for the financial year	(390,000)	(84,518)
Closing shareholders' deficit	<u>(2,043,566)</u>	<u>(1,653,566)</u>

CAPITAL METERS LIMITED

Notes *(continued)***16. COMMITMENTS**

- a) Capital commitments at the end of the financial year, for which no provision has been made, are as follows

	2007	2006
	£	£
Contracted	1,499,892	2,811,791
	<u> </u>	<u> </u>

- (c) Annual commitments under non-cancellable operating leases are as follows

	Land and Buildings	Land and buildings
	2007	2006
	£	£
Operating leases which expire		
Within one year	-	-
In the second to fifth years inclusive	7,460	7,460
	<u> </u>	<u> </u>
	7,460	7,460
	<u> </u>	<u> </u>

CAPITAL METERS LIMITED**Note (continued)****17. ANALYSIS OF CASH FLOWS**

	Year ended 31 March 2007 £	Year ended 31 March 2007 £	Year ended 31 March 2006 £	Year ended 31 March 2006 £
Returns on investment and servicing of finance				
Interest received	87,313		102,403	
Interest paid	(3,415,239)		(1,345,237)	
Other fees paid	(189,319)		(396,277)	
		<u>(3,517,245)</u>		<u>(1,639,111)</u>
Capital expenditure				
Purchase of tangible fixed assets	21,329,044		23,545,774	
Disposal of Fixed assets	(997,970)		(1,250,928)	
		<u>20,331,074</u>		<u>22,294,846</u>
Financing				
Draw down of third party debt	21,969,835		17,530,912	
Proceeds from issuing shareholders loan notes	1,718,524		2,362,703	
Repayment of third party debt	(937,600)		-	
Repayment of shareholders loan notes	(823,965)		-	
		<u>21,926,794</u>		<u>19,893,615</u>

18. ANALYSIS OF NET DEBT

	At beginning of year £	Cash flow £	Other non cash changes £	At end of year £
Cash in hand, and at bank	959,248	2,308,147	-	3,267,395
Debt due after one year	(29,519,027)	(21,926,794)	(127,844)	(51,573,665)
Total	<u>(28,559,779)</u>	<u>(19,618,647)</u>	<u>(127,844)</u>	<u>(48,306,270)</u>

Other non cash changes represent the amortisation of the issue costs recorded within Creditors due after more than one year

CAPITAL METERS LIMITED**Note (continued)****19. PROVISIONS FOR LIABILITIES AND CHARGES**

	Taxation including deferred taxation £
At beginning of year	2,504,952
Utilised during year	-
Charge to the profit and loss for the year	2,264,132
At end of year	<u>4,769,084</u>

The provision for deferred tax relates solely to the difference between accumulated depreciation and amortisation and capital allowances

20. POST BALANCE SHEET EVENTS

After the year end, the UK Government announced a cut of 2% in the UK corporation tax rates for with effect from 1 April 2008. An adjustment to the company's to reduce the deferred tax liability may be required in 2008. At 31 March 2007 the 2 % impact on the deferred tax liability would amount to £317,940

21. RELATED PARTY TRANSACTIONS

The Company's immediate parent is Capital Meters Holdings Limited, which is owned by Macquarie Bank Limited and Siemens Plc. The 90% subsidiary exemption included within FRS8 "Related Party Transactions" does not apply. Therefore the company's related party disclosures, as required by FRS8, are summarised as follows

	Year ended 31 March 2007 £	Year ended 31 March 2006 £
Purchases from companies owned by Macquarie Bank Limited on normal trading terms	63,988	70,151
Purchases from Siemens Energy Services on normal trading terms	9,555,905	10,142,596
Purchases from Siemens Real Estate Limited on normal trading terms	7,969	7,898
Sales to Siemens Energy Services on normal trading terms	997,970	1,250,929
Balance due to Siemens Energy Services at year end	2,789,985	3,390,170
Balance due to Siemens Real Estate at year end	-	-
Balance due to Macquarie Bank Limited at year end	63,988	70,151

CAPITAL METERS LIMITED

Note *(continued)***22. ULTIMATE PARENT UNDERTAKING**

The Company is a subsidiary undertaking of Macquarie Bank Limited, a company incorporated in Australia

The largest-and smallest group in which the results of the company are consolidated is headed by Macquarie Bank Limited, a company incorporated in Australia. The consolidated accounts for this group are available to the public and can be obtained from the Company Secretary, Level 15, No 1 Martin Place, Sydney, New South Wales, 2000 Australia