

Company Registration Number 5812381

Companies House

DCUSA Limited

Annual report

31 March 2012

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DCUSA Limited
Annual report
Year ended 31 March 2012

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DCUSA Limited

Company information

The board of directors

C J Allanson - Chairman
K Woollard
S Pearce
L Gibb
M Lalli
G D Sheern
D Townsend
P J Waymont
S Yeo

Company secretary

B O'Shea

Registered office

Ground Floor
Grafton House
2-3 Golden Square
London
W1F 9HR

Auditor

Chantrey Vellacott DFK LLP
Chartered Accountants
Statutory Auditor
Russell Square House
10 - 12 Russell Square
London
WC1B 5LF

DCUSA Limited

Directors' report

Year ended 31 March 2012

The directors have pleasure in presenting their report and the audited financial statements of the company for the year ended 31 March 2012

Principal activities

The principal activity of the company during the period was to facilitate a robust governance arrangement for making changes to the contractual arrangements between electricity suppliers and electricity distribution network providers within the electricity industry

The company was created as the corporate vehicle for ensuring the proper, effective and efficient implementation and ongoing management of the Distribution Connection and Use of System Agreement (DCUSA) This responsibility extends to the provision of a change control mechanism

The company was established as a joint venture between the parties to the DCUSA agreement, and all parties to the agreement are entitled to apply for a share in the company Two new shares were issued during the year (2011 one)

The objective of the company is to bear the costs of the management of the DCUSA including the operation of the Change Control Mechanism and for these costs to be fully recovered from the parties to the DCUSA on an equitable basis so that the company breaks even

Directors

The directors who served the company during the year were as follows

D Townsend	
K Woollard	
S Pearce	
G D Sheern	
C J Allanson	
P J Waymont	
M Lalli	(Appointed 6 April 2011)
L Gibb	(Appointed 1 November 2011)
P Edwards	(Resigned 1 November 2011)
C McKechnie	(Resigned 1 November 2011)
J M Hill	(Resigned 31 March 2012)

S Yeo was appointed as director on 13 April 2012

The directors have no interest in the share capital of the company

Auditor

A resolution to re-appoint Chantrey Vellacott DFK LLP as auditor for the ensuing year will be proposed at the Annual General Meeting in accordance with section 485 of the Companies Act 2006

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Signed by order of the directors



B O'Shea
Company Secretary

Approved by the directors on 20 June 2012

DCUSA Limited

Corporate governance statement

Year ended 31 March 2012

DCUSA is committed to maintaining high standards of corporate governance throughout its activities. The company is a private limited company and is not subject to the corporate governance principles and practice set out in the UK Corporate Governance Code ("Code") as incorporated in the UK Listing Authority Listing Rules. However, the Board has adopted those provisions in the Code on corporate governance and in respect of the conduct of audit committees which the directors consider appropriate for the Company.

Going Concern

The Board confirms that, after making appropriate enquiries, it is of the opinion that DCUSA Limited has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing these accounts.

General

The Board comprises nine members, all of whom are non-executive. The directors are appointed automatically through their appointment as either Panel Members or Panel Reserves. The Board's principal focus is the ongoing strategic direction, development and operation of DCUSA Limited. The Board is also responsible for the company's overall system of internal controls. There was one vacancy at 31 March 2012.

The Board normally meets every month and has constituted a Finance and Audit Committee. All standing committees are formally constituted with terms of reference and are constituted from at least three members of the Board of Directors.

Finance and Audit Committee

The Finance and Audit Committee assists the Board in the execution of its responsibilities on corporate governance and internal control. Its members are C J Allanson, G D Sheern and P J Waymont.

The Finance and Audit Committee reviews the company's internal controls structure, appoints the external auditors, reviews the external audit process and reports from the external auditors on their work, and approves the audit fees. It monitors the effectiveness of the company's internal controls function, and reviews the company's financial statements and proposed announcements, together with adopting the accounting policies and any subsequent changes, prior to approval by the Board.

The DCUSA Panel

The Panel is a body established under Clause 5 of the DCUSA Agreement. Clause 5 identifies the objectives, duties and powers of the Panel. The Panel is the representative body for the Parties to the Agreement and undertakes the detailed management and operation of the DCUSA Agreement on behalf of the Parties to the Agreement. The Panel as constituted at the balance sheet date comprises five members plus four reserves. All of the Panel Members and Reserves are Directors of DCUSA Ltd.

The Panel Members are elected to represent the following Party Categories, Distribution Network Operators, Independent Distribution Network Operators/Offshore Transmission System Operator, Suppliers and Distributed Generators. The Panel normally meets on a monthly basis.

Internal Controls

The Board acknowledges its responsibility for the systems of internal control within DCUSA Limited and for ensuring these systems maintain the integrity of accounting records and safeguard its assets. The purpose of these systems is to provide reasonable assurance as to the reliability of financial information and to maintain proper control over income, expenditure, assets and liabilities of DCUSA Limited. No system of control can, however, provide absolute assurance against material misstatement or loss. The Board's review of the effectiveness of DCUSA Limited's systems of internal control is an ongoing process, where controls are not in place the Board agrees and reviews a timetable for implementation.

A brief description of the principal elements underlying DCUSA Limited's systems of internal control follows.

DCUSA Limited

Corporate governance statement (*continued*)

Year ended 31 March 2012

Financial Reporting

There is a comprehensive business planning system with an annual operating plan and annual budget reviewed and recommended to the Board by the Finance and Audit Committee. The annual budget is also subject to scrutiny and consultation with all DCUSA parties. Monthly actual results are reported against budget and forecasts for the year are prepared on a quarterly basis for review and approval of the Board. The Finance and Audit Committee meet at least twice every financial year and on an ad hoc basis as required to consider matters requiring urgent attention. The Board has sight of the minutes of all Finance and Audit Committee meetings.

Risk Management

DCUSA Limited's Board examine on a continual basis the major strategic, business and operational risk that DCUSA Limited faces and have established a system that ensures that risks are reviewed and reported regularly, and that appropriate action is in place to mitigate the significant risks.

Controls and Procedures

Under the contract for Secretarial and Administrative Services with ElectraLink Limited, DCUSA Limited sets out authorities delegated from the Board to ElectraLink Limited. The DCUSA Limited Board has established a strong control framework within which ElectraLink Limited operates, including clearly defined lines of responsibility, delegation of authority and reporting requirements and maintains a comprehensive set of financial regulations. The financial controls and procedures are reviewed regularly and compliance with them is checked by the work performed by the auditors.

Monitoring of Controls

The Board continues to review DCUSA Limited's accounting and financial reporting practices, its internal financial controls, the work of the auditors and compliance with all relevant legislation and take the appropriate action to deal with areas of improvement which come to the Board's attention.

DCUSA Limited

Statement of directors' responsibilities

Year ended 31 March 2012

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Insofar as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DCUSA Limited

Independent auditor's report to the shareholders of DCUSA Limited

Year ended 31 March 2012

We have audited the financial statements of DCUSA Limited for the year ended 31 March 2012 which comprise the income and expenditure account, balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.



CHRIS MALACRIDA FCA (Senior Statutory Auditor)
for and on behalf of CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor
London
20 June 2012

DCUSA Limited

Income and expenditure account

Year ended 31 March 2012

	Note	2012 £	2011 £
Income		342,958	205,618
Administrative expenses		343,286	205,880
Operating deficit	2	(328)	(262)
Interest receivable		328	262
Surplus on ordinary activities before taxation		-	-
Tax on surplus on ordinary activities	3	-	-
Surplus for the financial year		-	-

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

There is no difference between the results shown above and their historical cost equivalents

The notes on pages 9 to 10 form part of these financial statements

DCUSA Limited

Balance sheet

As at 31 March 2012

	Note	2012 £	2011 £
Current assets			
Debtors	4	8,095	6,431
Cash at bank		131,317	226,310
		<u>139,412</u>	<u>232,741</u>
Creditors amounts falling due within one year	5	<u>139,355</u>	<u>232,686</u>
Net current assets		57	55
Total assets less current liabilities		<u>57</u>	<u>55</u>
Capital and reserves			
Called up equity share capital	6	<u>57</u>	<u>55</u>
Shareholders' funds	7	<u>57</u>	<u>55</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These financial statements were approved by the directors and authorised for issue on 20 June 2012, and are signed on their behalf by



P J Waymont

Company Registration Number 5812381

The notes on pages 9 to 10 form part of these financial statements

DCUSA Limited

Notes to the financial statements

Year ended 31 March 2012

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small

Income

This represents the value of recoverable costs borne by the company during the year under the Distribution Connection and Use of System Agreement (DCUSA) and recoverable from the parties to the agreement

Where a party to the agreement has been invoiced on account during the period for a sum greater than their share of the recoverable costs this amount is included in creditors as other creditors, and where a party's share of recoverable costs exceeds their payment on account the balance is included in debtors as accrued income

2 Operating deficit

Operating deficit is stated after charging

	2012 £	2011 £
Auditor's fees	<u>5,150</u>	<u>5,000</u>

The directors received no remuneration from the company during the year

3 Taxation

The company is a not for profit organisation and therefore no tax is provided on the results for the accounting period

4 Debtors

	2012 £	2011 £
Trade debtors	209	6,431
VAT recoverable	<u>7,886</u>	<u>-</u>
	<u>8,095</u>	<u>6,431</u>

DCUSA Limited

Notes to the financial statements

Year ended 31 March 2012

5 Creditors amounts falling due within one year

	2012 £	2011 £
Trade creditors	43,072	12,945
Other taxes	-	6,846
Other creditors	42,292	180,588
Accruals and deferred income	53,991	32,307
	<u>139,355</u>	<u>232,686</u>

6 Share capital

Authorised share capital

	2012 £	2011 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid

	2012 No	£	2011 No	£
57 Ordinary shares (2011 - 55) of £1 each	<u>57</u>	<u>57</u>	<u>55</u>	<u>55</u>

During the year 2 ordinary shares were issued (2011 - 1) The shares were issued to parties to the DCUSA agreement in accordance with the terms of that agreement

7 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
New ordinary share capital subscribed	<u>2</u>	<u>1</u>
Net addition to shareholders' funds	2	1
Opening shareholders' funds	55	54
Closing shareholders' funds	<u>57</u>	<u>55</u>

8 Control

No one party has ultimate control of the company by virtue of its shareholding