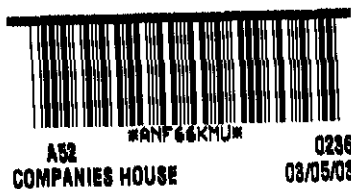


COMPANY NO: 499423

PARKERSELL LIMITED

GROUP ANNUAL REPORT

Year ended 31 December 2002



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Company Information

Directors	L Bermejo M J Horlock J Roberts J Winterbottom
Secretary	Mrs E Gosden
Registered office	Elizabeth House 56 – 60 London Road Staines Middlesex TW18 4BQ
Registered number	499423
Auditors	RSM Robson Rhodes Chartered Accountants 186 City Road London EC1V 2NU
Bankers	Royal Bank of Scotland PO Box 32846 Regents House London N1 8FT

Report of the Directors

The directors present their report and the audited consolidated financial statements of the Parkersell Group for the year ended 31 December 2002.

Principal activities

The principal activities of the Group during the year continued to be the installation and maintenance of lighting and electrical services and the provision of lighting design services.

On 5 February 2002, the Group sold its subsidiary, Parkersell Highway Lighting Services Limited to David Webster Limited.

Results and dividends

The Group profit for the year after taxation amounted to £2,185,074 (2001: £1,817,330) and is dealt with as shown in the profit and loss account on page 5.

No dividend is proposed for 2002 (2001: 235.71 pence per share).

Creditors

It is the Group's normal practice to agree terms of transactions, including payment terms, with suppliers and provided suppliers perform in accordance with the agreed terms, it is the Group's policy that payment is made accordingly. Creditor days at 31 December 2002 were 25 (2001: 43).

Employee Involvement

The Group has for many years been fully committed to securing the full co-operation and involvement of its employees in the success of the business.

This is achieved by direct communication and consultation with all employees and with representatives, where appropriate, at the locations in which they work. Employees are regularly informed of the performance and progress of their company by briefing groups and are encouraged to maximise company performance by means of incentive schemes.

Disabled Employees

The Group gives every consideration to applications for employment from disabled persons where the requirements of the job may be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the Group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate.

Directors and their interests

The present membership of the Board is set out on page 1.

All directors served throughout the year.

Mr M J Horlock is the director retiring by rotation under Article 89 and, being eligible, offers himself for re-election.

None of the directors had any notifiable interests in the share capital of the Company or any other Group undertakings as at 31 December 2002.

Report of the Directors (Continued)

Statement of directors' responsibilities for the Annual Report

Company law in the United Kingdom 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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable United Kingdom accounting standards; and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring that the directors' report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom.

Auditors

RSM Robson Rhodes are willing to continue in office, and a resolution to reappoint them will be proposed at the Annual General Meeting.

The report of the directors was approved by the Board on 14 April 2003 and signed on its behalf by:



Mrs E Gosden
Secretary

Independent Auditors' Report to the Shareholders of Parkersell Limited

We have audited the financial statements on pages 5 to 24.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom 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.

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 with the company is not disclosed.

We read the information contained in the Annual Report and consider whether it is consistent with the audited financial statements. 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 information outside the Annual Report.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 circumstances of the company and the group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all 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 affairs of the company and the group as at 31 December 2002 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



RSM Robson Rhodes
Chartered Accountants and Registered Auditors

London, England
14 April 2003

Consolidated Profit and Loss Account for the year ended 31 December 2002

	Note	2002 £	2001 £
Group Turnover			
Current year acquisitions		-	201,590
Other continuing operations		32,735,873	30,343,681
Total continuing operations		<u>32,735,873</u>	<u>30,545,271</u>
Discontinued operations		<u>-</u>	<u>5,231,842</u>
Group Turnover	2	32,735,873	35,777,113
Change in stocks and work in progress		<u>92,671</u>	<u>52,302</u>
		32,828,544	35,829,415
Raw materials and consumables		<u>(9,410,594)</u>	<u>(12,395,912)</u>
		<u>23,417,950</u>	<u>23,433,503</u>
Staff costs	5	(12,903,828)	(12,852,655)
Depreciation and amortisation	3	(519,776)	(551,754)
Other operating charges		<u>(6,950,925)</u>	<u>(7,454,340)</u>
		(20,374,529)	(20,858,749)
Analysis of group operating profit	3		
Current year acquisitions		-	(3,212)
Other continuing operations		1,565,922	4,166,009
Total continuing operations		1,565,922	4,162,797
Discontinued operations		<u>1,477,499</u>	<u>(1,588,043)</u>
Group operating profit	3	3,043,421	2,574,754
Loss on disposal of discontinued operations	27	(499)	-
Interest receivable and similar income	6	149,752	129,004
Interest payable and similar charges	7	<u>-</u>	<u>(39,317)</u>
Profit on ordinary activities before taxation	2	3,192,674	2,664,441
Tax on profit on ordinary activities	8	<u>(1,007,600)</u>	<u>(847,111)</u>
Profit on ordinary activities after taxation		2,185,074	1,817,330
Dividends	9	<u>-</u>	<u>(1,650,000)</u>
Retained profit for the financial year	20	<u>2,185,074</u>	<u>167,330</u>

Consolidated Statement of Total Recognised Gains and Losses
Year ended 31 December 2002

	2002 £	2001 £
Profit for the financial year	2,185,074	1,817,330
Currency translation differences on foreign currency net investments	<u>53,257</u>	<u>(35,204)</u>
Total recognised gains and losses for the year since the last annual report	<u><u>2,238,331</u></u>	<u><u>1,782,126</u></u>

Consolidated Balance Sheet at 31 December 2002

	Note	2002 £	2001 £
Fixed assets			
Intangible assets	10	433,000	471,000
Tangible assets	11	<u>1,463,879</u>	<u>1,742,556</u>
		1,896,879	2,213,556
Current assets			
Stocks and work in progress	12	2,246,035	3,160,096
Debtors	13	8,488,280	10,360,990
Cash at bank and in hand		<u>5,796,697</u>	<u>4,016,260</u>
		16,531,012	17,537,346
Creditors: amounts falling due within one year	14	<u>(5,749,357)</u>	<u>(9,167,558)</u>
Net current assets		<u>10,781,655</u>	<u>8,369,788</u>
Total assets less current liabilities		12,678,534	10,583,344
Creditors: amounts falling due after more than one year	15	-	(55,141)
Provisions for liabilities and charges	16	<u>(107,000)</u>	<u>(195,000)</u>
Total net assets		<u>12,571,534</u>	<u>10,333,203</u>
Capital and reserves			
Called up share capital	18	700,000	700,000
Share premium account	19	238	238
Other reserves	19	26,791	26,791
Profit and loss account	19	<u>11,844,505</u>	<u>9,606,174</u>
Total equity shareholders' funds	20	<u>12,571,534</u>	<u>10,333,203</u>

The financial statements were approved by the Board of Directors on 14 April 2003 and signed on its behalf by:

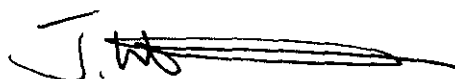


J Winterbottom
Director

Company Balance Sheet at 31 December 2002

	Note	2002 £	2001 £
Fixed assets			
Tangible assets	26	300,162	307,794
Investments	27	<u>701,081</u>	<u>701,081</u>
		<u>1,001,243</u>	<u>1,008,875</u>
Current assets			
Debtors	28	645,640	3,838,600
Cash at bank and in hand		<u>1,017,020</u>	<u>530,869</u>
		1,662,660	4,369,469
Creditors: amounts falling due within one year	29	<u>(351,693)</u>	<u>(2,192,821)</u>
Net current assets		<u>1,310,967</u>	<u>2,176,648</u>
Total net assets		<u>2,312,210</u>	<u>3,185,523</u>
Capital and reserves			
Called up share capital	18	700,000	700,000
Share premium account	31	238	238
Other reserves	31	26,791	26,791
Profit and loss account	31	<u>1,585,181</u>	<u>2,458,494</u>
Total equity shareholders' funds	32	<u>2,312,210</u>	<u>3,185,523</u>

These financial statements were approved by the Board of Directors on 14 April 2003 and signed on its behalf by:



J Winterbottom
Director

Notes to the Financial Statements

Year ended 31 December 2002

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. The particular accounting policies adopted by the directors are described below.

Basis of consolidation

The Group accounts consolidate the accounts of Parkersell Limited and all its subsidiary undertakings drawn up for the year ending 31 December. No profit and loss account is presented for Parkersell Limited as permitted by section 230 of the Companies Act 1985.

Related party transactions

The Company has taken advantage of the exemption contained in FRS 8 not to present transactions with other group entities as it is a wholly owned subsidiary of Dalkia plc, and such transactions are eliminated on consolidation.

Cash flow

The Company has taken the exemption afforded by Section 228 of the Companies Act 1985 from the requirement to prepare a cash flow statement as it is a wholly owned subsidiary.

Goodwill

Purchased goodwill is capitalised and amortised through the profit and loss account over the directors' estimate of its useful life, being 10 years. Goodwill arising prior to the introduction of FRS 10 remains written off against reserves; on disposal or closure of a business, or if any impairment is identified, a charge is made to the profit and loss account.

Tangible fixed assets and depreciation

Depreciation is provided on cost or valuation in equal annual instalments over the estimated useful lives of the assets. Where there is evidence of impairment, fixed assets are written down to recoverable amount. The rates of depreciation are as follows:

Freehold properties	2% per annum
Short leasehold improvements	10% per annum
Plant and machinery	20% per annum
Computer and office equipment	10% to 33 1/3% per annum
Private vehicles	25% to 33 1/3% per annum
Commercial vehicles	25% to 40% per annum

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

Notes to the Financial Statements (Continued)

Year ended 31 December 2002

1. ACCOUNTING POLICIES (Continued)

Market research

Expenditure on market research is written off in the period in which it is incurred.

Deferred taxation

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by FRS 19.

In accordance with FRS 19 deferred tax is not provided for:

- a) revaluation gains on land and buildings, unless there is a binding agreement to sell them at the balance sheet date;
- b) gains on the sale of non-monetary assets, if the taxable gain will probably be rolled over;
- c) extra tax payable if the overseas retained profits of subsidiaries and associates are remitted in future; and
- d) fair value adjustment gains to fixed assets and stock to uplift prices to those ruling when an acquisition is made.

Foreign currencies

Company

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Group

The balance sheets of overseas subsidiary undertakings are translated at the rate of exchange ruling at the balance sheet date. Trading results of these subsidiaries are translated at an average rate of exchange for the year. The exchange differences arising on the re-translation of the financial statements of overseas subsidiaries undertakings are taken directly to retained profits. All other translation differences are taken to the profit and loss account.

Leases

Assets held under hire purchase contracts are capitalised at their fair value on the inception of the leases and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding. Rentals under operating leases are charged to profit and loss in equal annual amounts over the lease term.

Pensions

The expected cost of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the profit and loss account so as to spread the cost of the service lives of employees in the schemes operated by the Group in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

Notes to the Financial Statements (Continued)

Year ended 31 December 2002

2. TURNOVER

Turnover represents the amounts derived from the provision of goods and services which fall within the Company's ordinary activities, stated net of value added tax. The turnover and pre tax profit are attributable to two activities, the installation and maintenance of lighting and electrical equipment and the provision of lighting design services.

Group turnover and profit before tax by geographical location were as follows:

	Turnover		Profit before tax	
	2002	2001	2002	2001
	£	£	£	£
United Kingdom	31,001,362	34,149,177	3,015,937	2,523,415
Rest of Europe	1,734,511	1,627,936	176,737	141,026
	<u>32,735,873</u>	<u>35,777,113</u>	<u>3,192,674</u>	<u>2,664,441</u>

3. GROUP OPERATING PROFIT

2002	Continuing £	Discontinued £	Total £
Turnover	32,735,873	-	32,735,873
Change in stocks and in work in progress	92,671	-	92,671
Raw materials and consumables	(9,410,594)	-	(9,410,594)
Staff costs	(12,903,828)	-	(12,903,828)
Depreciation and amortisation	(519,776)	-	(519,776)
Other operating charges	<u>(8,428,424)</u>	<u>1,477,499</u>	<u>(6,950,925)</u>
Group operating profit	<u>1,565,922</u>	<u>1,477,499</u>	<u>3,043,421</u>
2001	Continuing £	Discontinued £	Total £
Turnover	30,545,271	5,231,842	35,777,113
Change in stocks and in work in progress	(36,056)	88,358	52,302
Raw materials and consumables	(8,446,052)	(3,949,860)	(12,395,912)
Staff costs	(11,130,192)	(1,722,463)	(12,852,655)
Depreciation and amortisation	(462,341)	(89,413)	(551,754)
Other operating charges	<u>(6,307,833)</u>	<u>(1,146,507)</u>	<u>(7,454,340)</u>
Group operating profit	<u>4,162,797</u>	<u>(1,588,043)</u>	<u>2,574,754</u>

The discontinued operations relate to the sale of the group's subsidiary, Parkersell Highway Lighting Services Limited on 5 February 2002.

In 2001, acquisitions contributed £931 to the increase in stocks and in work in progress, £nil to raw materials and consumables, £122,461 to staff costs, £29,259 to depreciation and amortisation and £54,013 to other operating charges.

Notes to the Financial Statements (Continued)

Year ended 31 December 2002

3. GROUP OPERATING PROFIT (Continued)

Group operating profit is stated after charging/(crediting):

	2002 £	2001 £
Depreciation and other amounts written off tangible and intangible fixed assets:		
Owned assets	473,719	498,784
Assets held under finance leases	-	28,265
Amortisation of goodwill	50,967	24,705
Profit on sale of fixed assets	(4,910)	-
	<u>519,776</u>	<u>551,754</u>
Auditors' remuneration		
Audit fees	22,500	21,000
Other services	8,853	14,379
Operating lease rentals		
Plant and machinery	447,741	516,767
Other	<u>1,423,636</u>	<u>1,400,839</u>

Auditors' remuneration in respect of the Company audit amounted to £13,000 (2001: £13,000).

4. DIRECTORS' REMUNERATION

	2002 £	2001 £
Emoluments (excluding pension contributions)	<u>222,826</u>	<u>204,137</u>
Number of directors who:	No	No
Are members of a defined benefit scheme	<u>2</u>	<u>2</u>
Highest paid directors' remuneration:		
Emoluments (excluding pension contributions)	<u>131,790</u>	<u>117,294</u>

The amount of the accrued pension of the highest paid director at 31 December 2002 was £8,922 (2001: £6,608). The increase in the year (excluding any increase for inflation) was £2,116 (2001: £1,446).

Notes to the Financial Statements (Continued)
Year ended 31 December 2002

5. STAFF COSTS

	2002 £	2001 £
Wages and salaries	11,688,075	11,659,529
Social security costs	861,310	873,631
Other pension costs	354,443	319,494
	<u>12,903,828</u>	<u>12,852,655</u>
Average staff numbers:	No.	No.
Management	30	31
Sales	39	36
Administration	104	122
Operations	476	469
	<u>649</u>	<u>658</u>

6. INTEREST RECEIVABLE

	2002 £	2001 £
Bank interest	2,172	767
Intercompany	147,580	128,237
	<u>149,752</u>	<u>129,004</u>

7. INTEREST PAYABLE

	2002 £	2001 £
Bank loans and overdrafts	-	27,530
Finance lease charges	-	11,748
Other	-	39
	<u>-</u>	<u>39,317</u>

Notes to the Financial Statements (Continued)

Year ended 31 December 2002

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2002 £	2001 £
Corporation Tax:		
UK Corporation tax at 30% (2001: 30%)	1,009,000	796,000
Overseas taxation	<u>32,688</u>	<u>35,476</u>
Current Corporation Tax	1,041,688	831,476
(Over)/under provision in prior years	<u>(5,532)</u>	<u>2,874</u>
Total corporation tax	1,036,156	834,350
Deferred Tax:		
Timing differences, origination and reversal	<u>(28,556)</u>	<u>12,761</u>
Tax charge for the year	<u>1,007,600</u>	<u>847,111</u>
	2002 £	2001 £
Profit on ordinary activities before tax	<u>3,192,674</u>	<u>2,664,441</u>
Corporation tax at 30%	957,802	806,744
Factors affecting the current tax charge:		
Expenses not deductible for tax purposes	75,656	42,672
Capital allowances in excess of depreciation	13,849	5,680
Other short term timing differences	14,714	(16,788)
Different rates of tax on overseas earnings	<u>(20,333)</u>	<u>(6,832)</u>
Current tax charge for the period	<u>1,041,688</u>	<u>831,476</u>

Notes to the Financial Statements (Continued)
Year ended 31 December 2002

9. DIVIDENDS

	2002 £	2001 £
Final dividend proposed nil pence per ordinary share (2001: 235.71 pence per ordinary share)	<u>-</u>	<u>1,650,000</u>

10. INTANGIBLE ASSETS

	Goodwill £
Cost	
At 1 January 2002	495,705
Additions	<u>12,967</u>
At 31 December 2002	<u>508,672</u>
Amortisation	
At 1 January 2002	24,705
Charge for the year	<u>50,967</u>
At 31 December 2002	<u>75,672</u>
Net Book Value	
At 31 December 2002	<u>433,000</u>
At 31 December 2001	<u>471,000</u>

Notes to the Financial Statements (Continued)

Year ended 31 December 2002

11. TANGIBLE FIXED ASSETS

	Freehold properties	Short leasehold improvements	Plant and equipment	Computer and office equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 January 2002	572,823	307,454	850,788	2,086,602	1,312,890	5,130,557
Exchange adjustments	9,990	244	2,880	4,731	14,042	31,887
Additions	6	34,594	72,345	302,417	69,607	478,969
Disposal of subsidiary	-	(39,897)	(127,975)	(255,410)	(977,260)	(1,400,542)
Disposals	-	(2,081)	(61,923)	(26,649)	(145,781)	(236,434)
At 31 December 2002	<u>582,819</u>	<u>300,314</u>	<u>736,115</u>	<u>2,111,691</u>	<u>273,498</u>	<u>4,004,437</u>
Depreciation						
At 1 January 2002	142,493	161,512	600,196	1,486,442	997,358	3,388,001
Exchange adjustments	1,864	244	2,689	3,389	10,125	18,311
Charge for the year	10,705	29,490	90,626	276,844	66,054	473,719
Disposal of subsidiary	-	(21,310)	(97,021)	(214,581)	(805,787)	(1,138,699)
Disposals	-	(2,081)	(56,288)	(26,649)	(115,756)	(200,774)
At 31 December 2002	<u>155,062</u>	<u>167,855</u>	<u>540,202</u>	<u>1,525,445</u>	<u>151,994</u>	<u>2,540,558</u>
Net book value						
At 31 December 2002	<u>427,757</u>	<u>132,459</u>	<u>195,913</u>	<u>586,246</u>	<u>121,504</u>	<u>1,463,879</u>
At 31 December 2001	<u>430,330</u>	<u>145,942</u>	<u>250,592</u>	<u>600,160</u>	<u>315,532</u>	<u>1,742,556</u>

The net book value of vehicles above includes an amount of £nil (2001: £90,447) in respect of assets held under finance lease contracts. Depreciation charged in the year on those assets amounted to £nil (2001: £28,265)

The cost or valuation of freehold property at the end of the financial period comprises:

	Group £
At cost	529,069
At valuation	<u>53,750</u>
	<u>582,819</u>

Freehold property was revalued in 1973 on an open market value basis. Depreciation provided has been based on the revalued amount and additions at cost. In the opinion of the directors the difference between book value at cost and the revalued amount is not material.

Notes to the Financial Statements (Continued)

Year ended 31 December 2002

12. STOCKS AND WORK IN PROGRESS

	2002 £	2001 £
Raw materials and finished goods for resale	1,412,064	1,647,058
Work in progress	833,971	1,513,038
	<u>2,246,035</u>	<u>3,160,096</u>

13. DEBTORS

	2002 £	2001 £
Trade debtors	8,009,026	9,791,666
Amounts due from fellow group undertakings	115,124	74,774
Other debtors	18,000	62,726
Prepayments and accrued income	129,771	177,239
Deferred tax (note 17)	216,359	254,585
	<u>8,488,280</u>	<u>10,360,990</u>

All debtors, with the exception of deferred tax, are due within one year.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Obligations under finance lease contracts (note 15)	-	29,998
Trade creditors	1,097,289	2,227,865
Amounts due to group undertakings	200,674	522,860
Current corporation tax	547,000	472,000
Overseas taxation	20,791	34,787
Other taxes and social security costs	857,523	1,010,198
Other creditors	2,034,438	2,040,591
Accruals and deferred income	991,642	1,179,259
Proposed dividend	-	1,650,000
	<u>5,749,357</u>	<u>9,167,558</u>

Obligations under finance lease contracts are secured on the related assets.

Notes to the Financial Statements (Continued)

Year ended 31 December 2002

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

	2002 £	2001 £
Obligations under finance lease contracts expiring within two to five years	-	55,141
Instalments payable:		
within one year	-	37,993
in more than one year but not more than two years	-	60,144
	-	98,137
Less: finance charges allocated to future periods	-	(12,998)
Capital outstanding	-	85,139
Disclosed as:		
Due within one year	-	29,998
Due after one year	-	55,141
	-	85,139

16. PROVISIONS FOR LIABILITIES AND CHARGES

	Vacant property £
At 1 January 2002	195,000
Released in the year	(88,000)
At 31 December 2002	107,000

17. DEFERRED TAXATION

Deferred taxation provided in the accounts is as follows:

Amount provided/(asset)	2002 £	2001 £
Accelerated capital allowances	(79,559)	(117,653)
Other short term timing differences	(136,800)	(136,932)
Total asset	(216,359)	(254,585)

Notes to the Financial Statements (Continued)

Year ended 31 December 2002

18. SHARE CAPITAL

	2002 £	2001 £
Authorised:		
1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid:		
700,000 ordinary shares of £1 each	<u>700,000</u>	<u>700,000</u>

19. RESERVES

	Share premium £	Other reserves £	Profit and loss account £
At 1 January 2002	238	26,791	9,606,174
Retained profit for the financial period	-	-	2,185,074
Exchange differences on re-translation	-	-	53,257
At 31 December 2002	<u>238</u>	<u>26,791</u>	<u>11,844,505</u>

The cumulative amount of positive goodwill written off against reserves at 31 December 2002 was £76,172 (2001: £25,705); cumulative negative goodwill of £4 (2001: £4) has been added to reserves.

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit for the financial year	2,236,041	1,842,035
Dividends	-	(1,650,000)
	<u>2,236,041</u>	<u>192,035</u>
Amortisation of goodwill	(50,967)	(24,705)
Currency translation differences	53,257	(35,204)
	<u>2,238,331</u>	<u>132,126</u>
Net movement in shareholders' funds	2,238,331	132,126
Opening shareholders' funds	<u>10,333,203</u>	<u>10,201,077</u>
Closing shareholders' funds	<u>12,571,534</u>	<u>10,333,203</u>

Notes to the Financial Statements (Continued)

Year ended 31 December 2002

21. FINANCIAL COMMITMENTS

Commitments under non-cancellable operating leases are as follows:

	Land & Buildings		Other	
	2002	2001	2002	2001
	£	£	£	£
Operating leases which expire:				
within one year	34,842	26,558	309,386	189,315
between two and five years	193,092	268,332	997,206	860,246
over five years	155,876	207,324	-	-
	<u>383,810</u>	<u>502,214</u>	<u>1,306,592</u>	<u>1,049,561</u>

The company had no commitments under non-cancellable operating leases.

The company or the Group had no capital commitments.

22. PENSION COMMITMENTS

The Group is a participating employer in the Dalkia Group Pension Scheme, a defined benefit scheme. The scheme is separately funded and provides defined benefits that are computed based on an employee's years of service and final pensionable salary. The total cost of retirement benefits for the Company was £354,443 (2001: £319,494). Contributions are made to the scheme on the basis of advice from independent actuaries, using actuarial methods, the objective of which is to provide adequate funds to meet pension obligations as they fall due, and are based on pension costs in respect of all members of the fund.

The most recent actuarial review of the defined benefit pension scheme was at 31 December 2002. The fair value of the scheme assets at that date was £66,267,000 and the present value of the scheme liabilities was £88,881,000. Particulars of the actuarial review are included within the annual report of Dalkia plc. The assets of the scheme are held separately from those of the Group, and the Company is unable to separately identify the share of the underlying assets and liabilities related to its employees.

The scheme has been closed to all employees joining the Group after 1 January 2002.

Notes to the Financial Statements (Continued)

Year ended 31 December 2002

23. CONTINGENT LIABILITIES

Company

On 10 January 1994 the Company and its subsidiaries entered into an agreement with its parent company Dalkia Plc and fellow subsidiary undertakings. A cross guarantee exists between all parties to the agreement whereby each company has guaranteed the bank current accounts of the others. Dalkia plc has an unsecured overdraft facility of £5 million.

The Company is registered with HM Customs & Excise as a member of a group for VAT purposes, and as a result, jointly and severally liable on a continuing basis for amounts owing by other members of that group in respect of unpaid VAT.

The Company has issued a guarantee in favour of HM Customs and Excise in the sum of £10,000.

At the year end the Company had issued general performance bonds to customers amounting to £10,686 (2001: £10,686).

Group

The Group had issued general performance bonds to various customers amounting to £61,686 (2001: £111,116).

24. ULTIMATE PARENT UNDERTAKING

The ultimate UK parent undertaking is Dalkia plc, a company incorporated in Great Britain and registered in England and Wales. The largest ultimate controlling entity of Dalkia plc is Vivendi Environnement SA and the smallest is Dalkia International SA. Dalkia International is a joint venture between Vivendi Environnement SA, and Electricité de France. Vivendi Environnement SA, Dalkia International SA and Electricité de France are incorporated in France. Copies of accounts can be obtained from:

Dalkia Plc
Elizabeth House
56 -60 London Road
Staines
Middlesex
TW18 4BQ

Dalkia International S.A.
Quartier Valmy
33 Place Ronde
92981 Paris La Défense
France

Vivendi Environnement S.A.
36-38 avenue Kléber
75116 Paris
France

Electricité de France
22-30 avenue de Wagram
75382 Paris Cedex 08
France

Notes to the Financial Statements (Continued)

Year ended 31 December 2002

25. PRINCIPAL UNDERTAKINGS

The principal subsidiary undertakings at 31 December 2002 were:

Company	Country of incorporation and registration	Proportion of ordinary shares held
Parkersell (Lighting & Electrical) Services Ltd	England	100%
Parkersell Lighting Services (Ireland) Ltd	Ireland	100%
Pinniger and Partners Limited	England	100%

All subsidiary undertakings install and maintain lighting and electrical equipment or provide associated services.

On 5 February 2002, the Company sold its subsidiary, Parkersell Highway Lighting Services Limited to David Webster Limited.

26. TANGIBLE FIXED ASSETS - COMPANY

	Freehold properties £
Cost or valuation	
At 1 January and 31 December 2002	<u>424,082</u>
Depreciation	
At 1 January 2002	116,288
Charge for the year	<u>7,632</u>
At 31 December 2002	<u>123,920</u>
Net book value	
At 31 December 2002	<u>300,162</u>
At 31 December 2001	<u>307,794</u>

The cost or valuation of freehold property at the end of the financial period comprises:

	£
At cost	370,332
At valuation	<u>53,750</u>
	<u>424,082</u>

Freehold property was revalued in 1973 on an open market value basis. Depreciation provided has been based on the revalued amount and additions at cost. In the opinion of the directors the difference between book value at cost and the revalued amount is not material.

Notes to the Financial Statements (Continued)

Year ended 31 December 2002

27. FIXED ASSET INVESTMENTS - COMPANY

	Shares in group undertakings £
Cost	
At 1 January 2002	5,202,081
Disposals	<u>(4,501,000)</u>
At 31 December 2002	<u>701,081</u>
Provision for impairment	
At 1 January 2002	4,501,000
Disposals	<u>(4,501,000)</u>
At 31 December 2002	<u>-</u>
Net book value	
At 31 December 2002 and 31 December 2001	<u>701,081</u>

On 5 February 2002, the group completed the sale of Parkersell Highway Lighting Services Limited to David Webster Limited. The disposal is analysed as follows:

	£
Net assets disposed of:	
Fixed assets	261,843
Stock and work in progress	972,772
Debtors	1,154,552
Bank overdraft	<u>(1,242,681)</u>
	1,146,486
Creditors	<u>(1,145,986)</u>
Net assets on disposal	500
Loss on disposal	<u>(499)</u>
Net cash consideration	<u>1</u>

28. DEBTORS - COMPANY

	2002 £	2001 £
Trade debtors	24,279	-
Amounts due from subsidiary undertakings	550,000	3,788,000
Other debtors	13,000	6,500
Deferred tax (note 30)	<u>58,361</u>	<u>44,100</u>
	<u>645,640</u>	<u>3,838,600</u>

Notes to the Financial Statements (Continued)

Year ended 31 December 2002

29. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - COMPANY

	2002 £	2001 £
Amounts due to group undertakings	-	81,805
Current corporation tax	29,500	208,000
Other taxes and social security costs	24,806	1,876
Other creditors	190,000	230,000
Accruals and deferred income	107,387	21,140
Proposed dividend	-	1,650,000
	<u>351,693</u>	<u>2,192,821</u>

30. DEFERRED TAXATION - COMPANY

Deferred taxation provided in the accounts is as follows:

Amount provided/(asset)	2002 £	2001 £
Accelerated capital allowances	(1,361)	(1,815)
Other short term timing differences	<u>(57,000)</u>	<u>(42,285)</u>
Total asset	<u>(58,361)</u>	<u>(44,100)</u>

31. RESERVES - COMPANY

	Share premium £	Other reserves £	Profit and loss account £
At 1 January 2002	238	26,791	2,458,494
Retained loss for the financial period	<u>-</u>	<u>-</u>	<u>(873,313)</u>
At 31 December 2002	<u>238</u>	<u>26,791</u>	<u>1,585,181</u>

32. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS - COMPANY

	2002 £	2001 £
Loss for the financial year	(1,045,480)	(54,398)
Dividends	<u>172,167</u>	<u>237,000</u>
Net movement in shareholders' funds	(873,313)	182,602
Opening shareholders' funds	<u>3,185,523</u>	<u>3,002,921</u>
Closing shareholders' funds	<u>2,312,210</u>	<u>3,185,523</u>