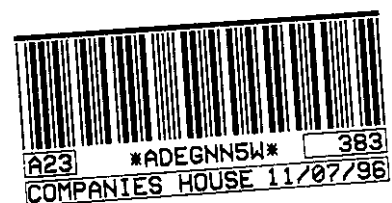


**PARKERSELL HIGHWAY LIGHTING  
SERVICES LIMITED**

**Report and Financial Statements**

**31 December 1995**

**Deloitte & Touche**  
Mountbatten House  
1 Grosvenor Square  
Southampton  
SO15 2BE



# **PARKERSELL HIGHWAY LIGHTING SERVICES LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 1995**

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**REPORT AND FINANCIAL STATEMENTS 1995**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

D B Mathews  
S Lain  
P A Goldsbrough  
M L Hopkins

**SECRETARY**

D W Guthrie

**REGISTERED OFFICE**

Parkersell House  
Cranworth Road  
Winchester  
Hampshire  
SO22 6SQ

**BANKERS**

National Westminster Bank Plc  
21 Lombard Street  
London  
EC3P 3AR

**AUDITORS**

Deloitte & Touche  
Chartered Accountants  
Mountbatten House  
1 Grosvenor Square  
Southampton  
SO15 2BE

## **DIRECTORS' REPORT**

The directors present their report and the audited financial statements for the year ended 31 December 1995.

### **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The company's principal activity during the year continued to be the installation and maintenance of lighting and electrical equipment.

### **RESULTS AND DIVIDENDS**

The trading loss for the year after taxation amounted to £316,860 (9 months to 31 December 1994: £261,660)

The directors do not propose to pay a dividend. Retained losses for the period have been transferred from reserves.

### **FUTURE PROSPECTS**

Market conditions are projected to remain very competitive. The company has incurred significant costs in building up its business over a very short period of time; the benefits from this investment will only be realised in the future.

### **FIXED ASSETS**

Movements in fixed assets during the period are shown in note 7 to the accounts.

### **DIRECTORS AND THEIR INTERESTS**

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

Mr S Lain is the director retiring by rotation in accordance with Article 89 and, being eligible, offers himself for re-election.

No director of the company had any interest in the share capital of the company or any other group undertaking at 31 December 1995.

### **AUDITORS**

On 1 February 1996 our auditors changed the name under which they practise to Deloitte & Touche and, accordingly, have signed their report in their new name. A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



D W Guthrie  
Secretary

21 June 1996

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law 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 as at the end of the financial year 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, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.



## Chartered Accountants

Deloitte & Touche  
Mountbatten House  
1 Grosvenor Square  
Southampton SO15 2BE

Telephone: National 01703 334124  
International + 44 1703 334124  
Fax (Gp. 3): 01703 330948

## Parkersell Highway Lighting Services Limited

### AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 13 which have been prepared under the accounting policies set out on page 7.

#### Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

#### Basis of opinion

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

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

#### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

**DELOITTE & TOUCHE**

Chartered Accountants and Registered Auditors

2 July 1996

# PARKERSELL HIGHWAY LIGHTING SERVICES LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 31 December 1995

	Note	Continuing operations 12 months to 31 December 1995 £	Continuing operations 9 months to 31 December 1994 £
<b>TURNOVER</b>	2	6,797,632	4,185,037
Change in stocks and work in progress		647,466	590,348
		<hr/>	<hr/>
		7,445,098	4,775,385
Raw materials and consumables		(3,820,911)	(1,848,106)
		<hr/>	<hr/>
		3,624,187	2,927,279
		<hr/>	<hr/>
Staff costs	5	(1,988,202)	(1,671,746)
Depreciation		(416,045)	(265,826)
Other operating charges		(1,693,114)	(1,374,389)
		<hr/>	<hr/>
		(4,097,361)	(3,311,961)
		<hr/>	<hr/>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	(473,174)	(384,682)
Tax on loss on ordinary activities	6	156,314	123,022
		<hr/>	<hr/>
<b>LOSS FOR THE FINANCIAL PERIOD</b>	13	(316,860)	(261,660)
		<hr/>	<hr/>

There are no recognised gains or losses for the current financial year and the preceding financial period other than as stated in the profit and loss account. Accordingly a statement of total recognised gains and losses is not presented.

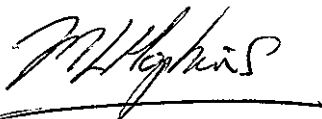
# PARKERSELL HIGHWAY LIGHTING SERVICES LIMITED

## BALANCE SHEET 31 December 1995

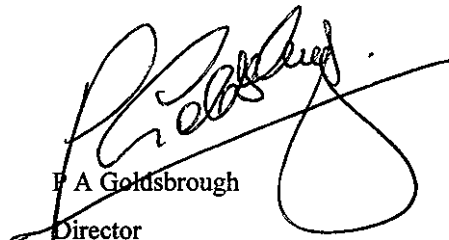
	Note	31 December 1995 £	31 December 1994 £
<b>FIXED ASSETS</b>			
Tangible assets	7	1,178,975	1,353,673
<b>CURRENT ASSETS</b>			
Stocks and work in progress	8	2,112,710	1,465,244
Debtors	9	2,124,067	2,431,720
Cash at bank and in hand		11,222	9,458
		4,247,999	3,906,422
<b>CREDITORS: amounts falling due within one year</b>	10	(1,727,675)	(1,222,252)
<b>NET CURRENT ASSETS</b>		2,520,324	2,684,170
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,699,299	4,037,843
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	11	(31,434)	(53,118)
<b>TOTAL NET ASSETS</b>		3,667,865	3,984,725
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	500	500
Capital contribution	13	4,500,000	4,500,000
Profit and loss account	13	(832,635)	(515,755)
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>		3,667,865	3,984,725

These financial statements were approved by the Board of Directors on 21 June 1996.

Signed on behalf of the Board of Directors



M L Hopkins  
Director



P A Goldsbrough  
Director



## NOTES TO THE ACCOUNTS

Year ended 31 December 1995

### 1. ACCOUNTING POLICIES

#### Accounting convention

The financial statements are prepared under the historical cost convention.

#### Basis of preparation

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

#### Cash flow statement

The company has taken advantage of the exemption contained in FRS1 not to publish its own cash flow statement as it is a wholly owned subsidiary of Energy and Technical Services Group plc and its cash flows are dealt with in the consolidated cash flows of that company.

#### Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Leasehold improvements	10% per annum
Plant and equipment	20% per annum
Computer and office equipment	10% to 33 1/3% per annum
Private vehicles	33 1/3% per annum
Commercial vehicles	20% 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.

#### Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounting and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is expected that tax will arise.

#### Leases

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on the inception of 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 are charged to profit and loss in equal annual amounts over the lease term.

#### Pensions

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

**NOTES TO THE ACCOUNTS**

**Year ended 31 December 1995**

**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 losses are attributable to one activity, the installation and maintenance of lighting and electrical equipment, and are derived entirely within the United Kingdom.

**3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

This is stated after charging/(crediting):

	12 months to 31 December 1995 £	9 months to 31 December 1994 £
Auditors' remuneration		
Audit fees	3,350	3,350
Other services	650	650
Operating lease rentals - land and buildings	129,171	145,460
Hire of plant and machinery	76,539	128,515
Profit on sale of fixed assets	(1,253)	(2,980)
	<hr/>	<hr/>

**4. DIRECTORS' REMUNERATION**

	12 months to 31 December 1995 £	9 months to 31 December 1994 £
Emoluments (including pension contributions)	107,428	45,504
Remuneration of chairman	-	-
Remuneration of highest paid director	48,653	37,287
	<hr/>	<hr/>
<b>Scale of directors' remuneration:</b>	<b>No.</b>	<b>No.</b>
£Nil - £ 5,000	2	4
£35,001 - £40,000	-	1
£45,001 - £50,000	2	-
	<hr/>	<hr/>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1995**

**5. STAFF COSTS**

	12 months to 31 December 1995 £	9 months to 31 December 1994 £
Wages and salaries	1,781,925	1,506,844
Social security costs	175,177	151,101
Other pension costs	31,100	13,801
	<u>1,988,202</u>	<u>1,671,746</u>

The average weekly number of employees during the year, including directors, was as follows:

	No.	No.
Management	20	16
Administration	13	9
Operations	84	69
	<u>117</u>	<u>94</u>

**6. TAX ON LOSS ON ORDINARY ACTIVITIES**

The tax credit is made up as follows:

	31 December 1995 £	31 December 1994 £
Based on the loss for the year:		
Group relief receivable at 33% (31 December 1994: 33%)	133,000	125,000
Deferred taxation	21,684	(1,987)
Adjustments in respect of prior years:		
Corporation tax	1,630	4,296
Deferred taxation	-	(4,287)
	<u>156,314</u>	<u>123,022</u>

# PARKERSELL HIGHWAY LIGHTING SERVICES LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 December 1995

### 7. TANGIBLE FIXED ASSETS

	Short leasehold improve- ments £	Plant and machinery £	Computer and office equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 1995	54,153	133,978	148,846	1,539,481	1,876,458
Additions	-	3,413	11,354	255,390	270,157
Disposals	-	(403)	(912)	(89,778)	(91,093)
At 31 December 1995	<u>54,153</u>	<u>136,988</u>	<u>159,288</u>	<u>1,705,093</u>	<u>2,055,522</u>
<b>Depreciation</b>					
At 1 January 1995	7,923	28,824	51,309	434,729	522,785
Charge for the year	5,454	25,450	37,624	347,517	416,045
Disposals	-	(213)	(691)	(61,379)	(62,283)
At 31 December 1995	<u>13,377</u>	<u>54,061</u>	<u>88,242</u>	<u>720,867</u>	<u>876,547</u>
<b>Net book value</b>					
At 31 December 1995	<u>40,776</u>	<u>82,927</u>	<u>71,046</u>	<u>984,226</u>	<u>1,178,975</u>
At 31 December 1994	<u>46,230</u>	<u>105,154</u>	<u>97,537</u>	<u>1,104,752</u>	<u>1,353,673</u>

### 8. STOCKS AND WORK IN PROGRESS

	1995 £	1994 £
Raw materials	753,316	857,943
Work in progress	1,359,394	607,301
	<u>2,112,710</u>	<u>1,465,244</u>

### 9. DEBTORS

	1995 £	1994 £
Trade debtors	1,238,155	1,836,959
Amounts owed by parent company	747,814	447,814
Amounts owed by fellow subsidiary undertaking	3,880	6,128
Taxation - group relief	133,000	125,000
Prepayments	1,218	15,819
	<u>2,124,067</u>	<u>2,431,720</u>

# PARKERSELL HIGHWAY LIGHTING SERVICES LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 December 1995

### 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1995 £	1994 £
Bank overdraft	1,114,624	669,977
Trade creditors	422,702	317,379
Amounts owed to fellow subsidiary undertakings	-	7,752
Other taxes and social security costs	154,758	99,195
Other creditors	27,893	122,797
Accruals and deferred income	7,698	5,152
	<u>1,727,675</u>	<u>1,222,252</u>

### 11. PROVISION FOR LIABILITIES AND CHARGES

	1995 £	1994 £
Deferred taxation	<u>31,434</u>	<u>53,118</u>
Deferred taxation provided in the accounts is reconciled as follows:		
Opening balance	53,118	46,844
Current period (credit) charge	(21,684)	1,987
Adjustment in respect of prior periods	-	4,287
	<u>31,434</u>	<u>53,118</u>

There were no amounts of deferred taxation unprovided at year end.

### 12. SHARE CAPITAL

	1995 £	1994 £
<b>Authorised:</b>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid:</b>		
500 ordinary shares of £1 each	<u>500</u>	<u>500</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1995**

**13. RESERVES**

	<b>Capital contribution £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
Balance at 1 January 1995	4,500,000	(515,775)	3,984,225
Loss for the financial year	-	(316,860)	(316,860)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 1995	4,500,000	(832,635)	3,667,365
	<hr/>	<hr/>	<hr/>

**14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>1995 £</b>	<b>1994 £</b>
Opening shareholders' funds	3,984,725	1,246,385
Loss for the financial year	(316,860)	(261,660)
Capital contribution from Parkersell Limited	-	3,000,000
	<hr/>	<hr/>
Closing shareholders' funds	3,667,865	3,984,725
	<hr/>	<hr/>

**15. CAPITAL COMMITMENTS**

	<b>1995 £</b>	<b>1994 £</b>
Contracted	-	29,630
	<hr/>	<hr/>

**16. PENSION COMMITMENTS**

The company is a participating employer in the Parkersell Limited Retirement Benefits Scheme. The assets of the scheme are held separately from that of the company. The total cost of retirement benefits for the company was £31,100 (31 December 1994: £13,801). The scheme is separately funded and provides defined benefits that are computed based on an employee's years of service and final pensionable salary. 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. Particulars of the most recent actuarial valuation of the scheme as at 1 April 1994 are included within the accounts of the parent undertaking.

**NOTES TO THE ACCOUNTS**

**Year ended 31 December 1995**

**17. OTHER FINANCIAL COMMITMENTS**

At the financial year end the company had annual commitments under non-cancellable operating leases as set out below:

	<b>Land and buildings</b>	
	<b>1995</b>	<b>1994</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
within one year	-	10,860
between two and five years	139,816	127,683
	<hr/>	<hr/>
	139,816	138,543
	<hr/>	<hr/>

**18. CONTINGENT LIABILITIES**

On 10 January 1994 the company entered into an agreement with its ultimate UK parent company Energy and Technical Services Group 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. The Group has an unsecured overdraft facility of £5 million.

**19. ULTIMATE PARENT UNDERTAKING**

The parent undertaking is Parkersell Limited, a company incorporated in Great Britain and registered in England and Wales. The UK ultimate parent undertaking is Energy and Technical Services Group plc and the ultimate parent undertaking is Compagnie Generale des Eaux, a company incorporated in France. These are the smallest and largest undertakings for which group accounts are drawn up. Copies of the group accounts are available from:

Parkersell Limited  
Parkersell House  
Cranworth Road  
Winchester  
Hampshire  
SO23 8RG

Compagnie Generale des Eaux  
52 Rue d'Anjou  
75384 Paris  
France