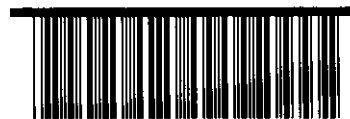


COMPANY NO: 928643

PARKERSELL HIGHWAY LIGHTING SERVICES LIMITED

ANNUAL REPORT

◆ Year ended 31 December 2000 ◆



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PARKERSELL HIGHWAY LIGHTING SERVICES LIMITED

COMPANY INFORMATION

Directors	J Winterbottom J Millar T Morton M J Horlock J-P Riehl
Secretary	J-P Riehl
Registered office	Elizabeth House 56 – 60 London Road Staines Middlesex TW18 4BQ
Registered number	928643
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 financial statements for the year ended 31 December 2000.

Principal activities

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

Results and dividends

The loss for the year after taxation amounted to £69,319 (1999: restated profit £15,382).

The directors do not propose a final dividend (1999 -£nil).

Future Prospects

The directors expect the company to return to profitable trading in the future.

Creditors

It is the company'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 company's policy that payment is made accordingly.

Dividends

No dividend is proposed by the directors for 2000 (1999: £nil).

Directors and their interests

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

Mr M J Horlock was appointed on 22 December 2000. Mr J-P Riehl is the director retiring by rotation under Article 89 and being eligible offers himself for re-election.

The directors had no interest in the share capital of the company or any other group undertakings as at 31 December 2000.

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 of the profit or loss of the company 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.

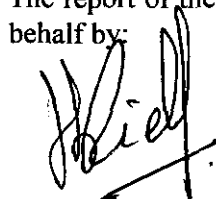
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

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 25 July 2001 and signed on its behalf by:



J-P Riehl
Secretary

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF PARKERSELL HIGHWAY LIGHTING SERVICES
LIMITED**

We have audited the financial statements on pages 5 to 17.

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.

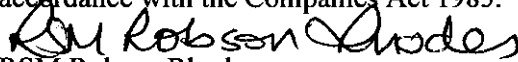
Basis of audit opinion

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 company's circumstances, 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 as at 31 December 2000 and of its loss 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
25 July 2001

PARKERSELL HIGHWAY LIGHTING SERVICES LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2000

	Note	Continuing operations 2000 £	Continuing operations 1999 £ as restated
Turnover	2	4,899,171	4,573,269
Change in stocks and work in progress		307,510	(169,416)
		<u>5,206,681</u>	<u>4,403,853</u>
Raw materials and consumables		(2,620,561)	(2,287,777)
		<u>2,586,120</u>	<u>2,116,076</u>
Staff costs	5	(1,568,606)	(1,362,416)
Depreciation		(102,922)	(120,063)
Other operating charges		(1,011,103)	(533,219)
		<u>(2,682,631)</u>	<u>(2,015,698)</u>
Operating (loss)/profit	3	(96,511)	100,378
Interest payable and similar charges	6	(5,194)	-
(Loss)/profit on ordinary activities before taxation		<u>(101,705)</u>	<u>100,378</u>
Tax on loss/(profit) on ordinary activities	7	32,386	(84,996)
Retained (loss)/profit for the financial year		<u>(69,319)</u>	<u>15,382</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 December 2000

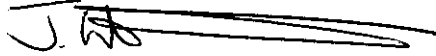
	2000	1999
	£	£
		as restated
(Loss)/profit for the financial year as previously stated	(69,319)	15,382
Prior year adjustment	89,320	-
Total recognised gains and losses for the year since the last annual report	<u>20,001</u>	<u>15,382</u>

PARKERSELL HIGHWAY LIGHTING SERVICES LIMITED

BALANCE SHEET
at 31 December 2000

	Note	2000 £	1999 £ as restated
Fixed assets			
Tangible assets	8	260,328	181,418
Current assets			
Stocks and work in progress	9	1,083,558	776,048
Debtors	10	2,568,045	1,637,008
Cash at bank and in hand		4,350	4,709
		<u>3,655,953</u>	<u>2,417,765</u>
Creditors: Amounts falling due within one year	11	(3,692,623)	(2,393,388)
Net current (liabilities)/assets		<u>(36,670)</u>	<u>24,377</u>
Total assets less current liabilities		223,658	205,795
Creditors: Amounts falling due after more than one year	12	(87,182)	-
Total net assets		<u>136,476</u>	<u>205,795</u>
Capital and reserves			
Called up share capital	15	500	500
Profit and loss account	16	135,976	205,295
Total equity shareholders' funds	17	<u>136,476</u>	<u>205,795</u>

The financial statements were approved by the Board on 25 July..... 2001 and signed on its behalf by:


J Winterbottom
Director

NOTES TO THE FINANCIAL STATEMENTS

Year ending 31 December 2000

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.

Related Party Transactions

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

Tangible fixed assets

Depreciation is provided on cost 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:

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

Provision is made for deferred taxation using the liability method, without discounting, on timing differences calculated at rates at which it is estimated that tax will be payable.

Previous provision was only made to the extent that it was probable that the tax would become payable in the foreseeable future.

The company has adopted FRS 19 Deferred Taxation ahead of mandatory deadline. This has resulted in a prior year adjustment arising. The effect of this standard is explained within note 7.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ending 31 December 2000**4. DIRECTORS' REMUNERATION**

	2000	1999
	£	£
Emoluments (excluding pension contributions)	47,250	-
	<hr/>	<hr/>
	2000	1999
	£	£
Highest paid director's remuneration:		
Emoluments (excluding pension contributions)	47,250	-
	<hr/>	<hr/>

Directors' remuneration in 1999 was borne by the parent company.

5. STAFF COSTS

	2000	1999
	£	£
Wages and salaries	1,427,206	1,246,292
Social security costs	132,559	110,843
Other pension costs	8,841	5,281
	<hr/>	<hr/>
	1,568,606	1,362,416
	<hr/>	<hr/>

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

	2000	1999
	No.	No.
Management	2	2
Administration	18	18
Sales	1	1
Operations	46	43
	<hr/>	<hr/>
	67	64
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ending 31 December 2000

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2000	1999
	£	£
Interest payable under finance leases	5,194	-
	<u> </u>	<u> </u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax (credit)/charge is made up as follows:

	2000	1999
	£	£
		as restated
Group relief receivable at 30% (1999: 30.25%)	(38,000)	(35,000)
Adjustments relating to prior years	(3,691)	44,940
Total corporation tax	<u>(41,691)</u>	<u>9,940</u>
Deferred tax:		
Timing differences, origination and reversal	8,567	75,056
Effect of change in tax rate on opening liability	738	-
Total deferred tax	<u>9,305</u>	<u>75,056</u>
Tax charge for the year	<u>(32,386)</u>	<u>84,996</u>

As at 31 December 2000 deferred taxation has been fully provided in accordance with FRS19.

	2000	1999
	£	£
(Loss)/Profit on ordinary activities before tax	<u>(101,705)</u>	<u>100,378</u>
Corporation tax at 30%	(30,512)	30,364
Factors affecting the Current Tax charge:		
Expenses not deductible for tax purposes	1,078	4,734
Capital allowances for the period in excess of depreciation	(11,411)	(531)
Other short term timing differences	2,845	(69,567)
Current tax charge for the period	<u>(38,000)</u>	<u>(35,000)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ending 31 December 2000

8. TANGIBLE FIXED ASSETS

	Short leasehold improvements £	Plant and machinery £	Computer and office equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2000	27,648	131,834	227,520	1,107,651	1,494,653
Additions	1,708	18,883	29,599	131,643	181,833
Disposals	-	-	-	(32,138)	(32,138)
At 31 December 2000	<u>29,356</u>	<u>150,717</u>	<u>257,119</u>	<u>1,207,156</u>	<u>1,644,348</u>
Depreciation					
At 1 January 2000	15,291	117,654	161,182	1,019,108	1,313,235
Charge for the year	2,914	9,793	31,268	58,947	102,922
Disposals	-	-	-	(32,137)	(32,137)
At 31 December 2000	<u>18,205</u>	<u>127,447</u>	<u>192,450</u>	<u>1,045,918</u>	<u>1,384,020</u>
Net book value					
At 31 December 2000	<u>11,151</u>	<u>23,270</u>	<u>64,669</u>	<u>161,238</u>	<u>260,328</u>
At 1 January 2000	<u>12,357</u>	<u>14,180</u>	<u>66,338</u>	<u>88,543</u>	<u>181,418</u>

The net book value of vehicles above includes an amount of £118,712 (1999: £nil) in respect of vehicles held under finance lease contracts

9. STOCKS AND WORK IN PROGRESS

	2000 £	1999 £
Raw materials	354,141	223,027
Work in progress	729,417	553,021
	<u>1,083,558</u>	<u>776,048</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ending 31 December 2000**10. DEBTORS**

	2000	1999
	£	£
Trade debtors	1,833,040	909,611
Amounts owed by parent company	499,877	529,242
Amounts owed by fellow subsidiary undertakings	15,357	-
Taxation - group relief	38,000	35,000
Other debtors	101,756	46,431
Prepayments	-	27,404
Deferred tax (note 14)	80,015	89,320
	<u>2,568,045</u>	<u>1,637,008</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000	1999
	£	£
Bank overdraft	633,280	159,869
Obligations under finance lease contracts (note 13)	25,754	-
Trade creditors	866,398	249,213
Amounts owed to parent company	1,800,000	1,800,000
Tax and social security	76,327	60,777
Other creditors	124,666	85,417
Accruals and deferred income	166,198	38,112
	<u>3,692,623</u>	<u>2,393,388</u>

An intercompany loan of £1,800,000 was advanced to the company during 1998 by its parent company, Parkersell Limited, following payment of an interim dividend. The loan is interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ending 31 December 2000

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

	2000	1999
	£	£
Obligations under finance leases expiring in two to five years (note 13)	87,182	-
	<u> </u>	<u> </u>

13. OBLIGATIONS UNDER FINANCE LEASES

	2000	1999
	£	£
Instalments payable:		
Within one year	37,993	-
In more than one year but not more than two years	99,729	-
	<u>137,722</u>	<u> </u>
Less: finance charges allocated to future periods	(24,786)	-
	<u>112,936</u>	<u> </u>
	<u> </u>	<u> </u>
Disclosed as:		
Due within one year (note 11)	25,754	-
Due after one year (note 12)	87,182	-
	<u>112,936</u>	<u> </u>
	<u> </u>	<u> </u>

PARKERSELL HIGHWAY LIGHTING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ending 31 December 2000

14. DEFERRED TAXATION

Deferred taxation provided in the accounts is as follows:

Amount provided/(asset)	2000 £	1999 £
Accelerated capital allowances	(56,015)	(67,989)
Other short term timing differences	(24,000)	(21,331)
Total (asset)	<u>(80,015)</u>	<u>(89,320)</u>

15. SHARE CAPITAL

	2000 £	1999 £
Authorised:		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid:		
500 ordinary shares of £1 each	<u>500</u>	<u>500</u>

16. PROFIT AND LOSS ACCOUNT

	2000 £
Balance at 1 January 2000 as previously stated	115,975
Prior period adjustment	89,320
Balance at 1 January 2000 as restated	<u>205,295</u>
Retained loss for the financial year	<u>(69,319)</u>
Balance at 31 December 2000	<u>135,976</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ending 31 December 2000**17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2000	1999
	£	£
		as restated
(Loss)/Profit for the financial year	(69,319)	15,382
Opening shareholders' funds	205,795	190,413
Closing shareholders' funds	<u>136,476</u>	<u>205,795</u>

18. CAPITAL COMMITMENTS

Authorised future capital expenditure amounted to:

	2000	1999
	£	£
Contracted for but not provided	9,085	-

19. PENSION COMMITMENTS

The company is a participating employer in the Dalkia Group Pension Scheme; the assets of the scheme are held separately from that of the company. The total cost of retirement benefits for the company was £8,841 (1999: £5,281). 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 at 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 1995 are included within the accounts of Dalkia plc.

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ending 31 December 2000**20. OTHER FINANCIAL COMMITMENTS**

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

	Land and buildings		Other	
	2000	1999	2000	1999
	£	£	£	£
Operating leases which expire:				
within one year	1,875	1,875	4,185	1,795
between two and five years	25,000	63,900	51,834	45,618
After more than five years	38,900	-	-	-
	<u>65,775</u>	<u>65,775</u>	<u>56,019</u>	<u>47,413</u>

21. CONTINGENT LIABILITIES

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

22. 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 Dalkia Plc and the ultimate parent undertaking is Vivendi Universal S.A., 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
Elizabeth House
56 – 60 London Road
Staines
Middlesex
TW18 4BQ

Vivendi Universal S.A.
42 Avenue de Friedland
75380 Paris
France