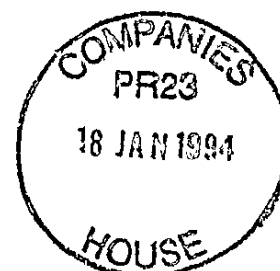


928643

REPORT AND ACCOUNTS

Parkersell Highway Lighting
Services Limited

31 MARCH 1993



ERNST & YOUNG

Parkersell Highway Lighting Services Limited

Registered No. 928643

DIRECTORS

Mr D B Mathews

Mr S Lain

Mr D W Guthrie

SECRETARY

Mr D W Guthrie

AUDITORS

Ernst & Young

Wessex House

19 Threefield Lane

Southampton

SO1 1TW

BANKERS

Barclays Bank plc

50 Jewry Street

Winchester

Hampshire

SO23 8RG

REGISTERED OFFICE

Parkersell House

Cranworth Road

Winchester

Hampshire

 **ERNST & YOUNG**

Parkersell Highway Lighting Services Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 March 1993.

RESULTS AND DIVIDENDS

The trading loss for the year, after taxation, amounted to £74,680.

The directors do not propose to pay a dividend.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company commenced trading on 1 July 1992, having previously been dormant. Its principal activity during the period of trading was the installation and maintenance of lighting and electrical equipment.

The company has developed into a three operational depot structure by 31 March 1993. The directors foresee 1993/94 as a year in which the company will benefit from this investment during 1992/93.

FIXED ASSETS

Movements in fixed assets during the year are shown in note 8 to the accounts.

DIRECTORS AND THEIR INTERESTS

The directors during the year were as follows:

Mr D B Mathews	(appointed 23 July 1992)
Mr S Lain	(appointed 23 July 1992)
Mr D W Guthrie	
Mr D J Harrison	(resigned 23 July 1992)

Messrs D B Mathews and S Lain retire in accordance with Article 95 and, being eligible, offer themselves 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 March 1993.

AUDITORS

A resolution to re-appoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the Board



Secretary
D W GUTHRIE
31 July 1993

REPORT OF THE AUDITORS
to the members of Parkersell Highway Lighting Services Limited

We have audited the accounts on pages 4 to 11 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 March 1993 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young

Chartered Accountants
Registered Auditor
Southampton
31 July 1993

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Parkersell Highway Lighting Services Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 March 1993

	Notes	1993 £	1992 £
TURNOVER	3	1,509,661	-
Change in stocks		315,978	-
		<u>1,825,639</u>	-
Raw materials and consumables		974,316	-
		<u>851,323</u>	-
Staff costs	6	562,779	-
Depreciation		71,241	-
Other operating charges		347,233	-
		<u>981,253</u>	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(129,930)	-
Taxation on loss on ordinary activities	7	55,250	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(74,680)</u>	-

STATEMENT OF MOVEMENTS ON RESERVES

	Profit and loss account £
At 1 April 1992	-
Loss for the year	(74,680)
At 31 March 1993	<u>(74,680)</u>

Parkersell Highway Lighting Services Limited

BALANCE SHEET

at 31 March 1993

	Notes	1993 £	1992 £
FIXED ASSETS			
Tangible assets	8	496,227	-
CURRENT ASSETS			
Stocks and work in progress	9	351,812	-
Debtors	10	729,210	-
Amounts owed by parent undertaking		-	500
Cash at bank and in hand		259,324	-
		1,340,346	500
CREDITORS: amounts falling due within one year	11	1,910,753	-
NET CURRENT LIABILITIES		(570,407)	-
EXCESS OF LIABILITIES OVER ASSETS		(74,180)	500
CAPITAL AND RESERVES			
Called up share capital	12	500	500
Profit and loss account		(74,680)	-
		(74,180)	500

ERNST & YOUNG

31 July 1993

S LAIN
Directors
D B MATHEWS

Parkersell Highway Lighting Services Limited

NOTES TO THE ACCOUNTS

at 31 March 1993

1. FUNDAMENTAL ACCOUNTING CONCEPT

The accounts have been prepared under the going concern concept because the parent undertaking has agreed to provide adequate funds for the company to meet its liabilities as they fall due.

2. ACCOUNTING POLICIES

Basis of preparation

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Cash flow statement

The company has utilised the exemptions under Financial Reporting Standard No.1 as a wholly owned subsidiary undertaking of a parent undertaking within the European Community and has not presented a cash flow statement.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, 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

Stocks are stated at the lower of cost and net realisable value as follows:

Cost incurred in bringing each product to its present location and condition:

Raw materials	-	purchase cost on a first-in, first-out basis.
Work in progress	-	cost of direct materials and labour plus attributable overheads based on the normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Deferred taxation

Deferred taxation is provided on the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is estimated that taxation will be payable.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Parkersell Highway Lighting Services Limited

NOTES TO THE ACCOUNTS

at 31 March 1993

2. ACCOUNTING POLICIES (continued)

Pensions

The Parkersell group operates a defined benefit pension scheme, which requires contributions to be made to a separately administered fund. Contributions are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives within the group. The regular cost is attributed to individual years using the aggregate method of valuation. Variations in pension cost, which are identified as a result of actuarial valuations, are amortised over the average expected remaining working lives of employees in proportion to their expected payroll costs. Differences between the amounts funded and the amounts charged to the profit and loss account are treated as either provisions or prepayments in the balance sheet.

3. 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 maintenance of power and data cabling equipment, and are derived entirely within the United Kingdom.

4. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:

	1993	1992
	£	£
Auditors' remuneration	4,000	-
Hire of plant and machinery	33,448	-
	<u> </u>	<u> </u>

5. DIRECTORS' REMUNERATION

	1993	1992
	£	£
Emoluments (excluding pension contributions)	-	-
	<u> </u>	<u> </u>

Directors' emoluments, excluding pension contributions, fell within the following ranges:

	1993	1992
	No.	No.
£Nil - £5,000	4	2
	<u> </u>	<u> </u>

Parkersell Highway Lighting Services Limited

NOTES TO THE ACCOUNTS at 31 March 1993

6. STAFF COSTS	1993 £	1992 £
Wages and salaries	515,058	-
Social security costs	47,721	-
	<u>562,779</u>	<u>-</u>

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

	1993 No.	1992 No.
Management	6	-
Administration	6	-
Operations	50	-
	<u>62</u>	<u>-</u>

7. TAXATION ON LOSS ON ORDINARY ACTIVITIES

The taxation credit is made up as follows:

	1993 £	1992 £
Based on the loss for the year:		
Group relief receivable	<u>55,250</u>	<u>-</u>

Parkersell Highway Lighting Services Limited

NOTES TO THE ACCOUNTS at 31 March 1993

8. TANGIBLE FIXED ASSETS	Short leasehold improvements £	Plant and equipment £	Computer and office equipment £	Vehicles £	Total £
Cost:					
At 1 April 1992	-	-	-	-	-
Transfer from fellow subsidiary undertaking	3,373	3,536	3,805	82,244	92,958
Additions	8,872	14,388	54,537	459,579	537,376
Disposals	-	-	-	(11,772)	(11,772)
At 31 March 1993	<u>12,245</u>	<u>17,924</u>	<u>58,342</u>	<u>530,051</u>	<u>618,562</u>
Depreciation:					
At 1 April 1992	-	-	-	-	-
Transfer from fellow subsidiary undertaking	267	736	1,784	60,079	62,866
Provided during the year	348	1,623	5,661	63,609	71,241
Disposals	-	-	-	(11,772)	(11,772)
At 31 March 1993	<u>615</u>	<u>2,359</u>	<u>7,445</u>	<u>111,916</u>	<u>122,335</u>
Net book value:					
At 31 March 1993	<u>11,630</u>	<u>15,565</u>	<u>50,897</u>	<u>418,135</u>	<u>496,227</u>
At 1 April 1992	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
9. STOCKS AND WORK IN PROGRESS				1993 £	1992 £
Raw materials				239,677	-
Work in progress				112,135	-
				<u>351,812</u>	<u>-</u>
10. DEBTORS				1993 £	1992 £
Trade debtors				633,114	-
Taxation - group relief				55,250	-
Prepayments				40,846	-
				<u>729,210</u>	<u>-</u>

Parkersell Highway Lighting Services Limited

NOTES TO THE ACCOUNTS at 31 March 1993

11. CREDITORS: amounts falling due within one year

	1993	1992
	£	£
Trade creditors	330,356	-
Other taxes and social security costs	27,875	-
Other creditors	50,409	-
Accruals and deferred income	26,940	-
Amounts owed to group undertakings	1,475,173	-
	<u>1,910,753</u>	<u>-</u>

12. SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	1993	1992	1993	1992
	£	£	£	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>500</u>	<u>500</u>

13. PENSION COMMITMENTS

The company is a participating employer in the Parkersell Limited Retirement Benefits 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. 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 May 1991 are included within the accounts of the parent undertaking.

14. OTHER FINANCIAL COMMITMENTS

At 31 March 1993 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	1993	1992
	£	£
Operating leases which expire:		
within one year	-	-
between two and five years	18,500	-
in over five years	36,015	-
	<u>54,515</u>	<u>-</u>

Parkersell Highway Lighting Services Limited

NOTES TO THE ACCOUNTS at 31 March 1993

15. CONTINGENT LIABILITIES

A cross guarantee exists between Parkersell Limited, Parkersell (Lighting and Electrical) Services Limited, Power and Data Installations Limited, Parkersell International (Lighting Services) Limited and Parkersell Highway Lighting Services Limited whereby each company has guaranteed bank overdrafts and bank loans of the others.

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

16. ULTIMATE PARENT UNDERTAKING

The parent undertaking is Parkersell Limited, a company incorporated in Great Britain and registered in England and Wales. 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

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