

UTILICOM LIMITED
DIRECTORS' REPORT AND ACCOUNTS
YEAR ENDED 30TH JUNE 1996

Company Number: 1506399



Moore
2000

UTILICOM LIMITED

Directors: A.J.M.Planchot
C.J.Maillard
P.C.Bono
P.Tordeux (resigned 23rd October 1996)

DIRECTORS' REPORT

The directors submit their report and the accounts for the year ended 30th June 1996.

Company law requires the directors to prepare accounts that give a true and fair view of the state of affairs of the company and of the profit or loss for its financial year. In doing so the directors are required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with 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.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the provision of heating and energy services.

The results for the year are shown on page 4.

The directors consider the company's financial position at the end of the year to be satisfactory.

DIVIDENDS AND APPROPRIATIONS

The directors are unable to recommend the payment of a dividend and therefore the balance on the profit and loss account has been carried forward.

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UTILICOM LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS AND INTERESTS IN SHARES

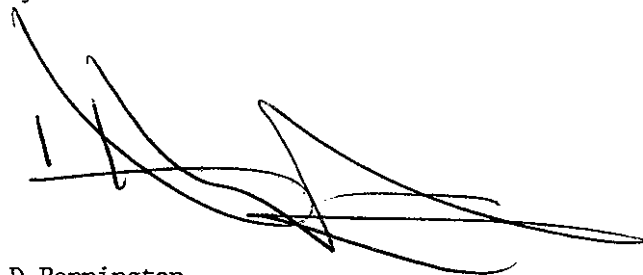
The names of the present directors are given at the head of this report.

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

AUDITORS

A resolution will be proposed at the annual general meeting to appoint Moores Rowland as auditors to the company for the ensuing year.

By order of the board

A large, stylized handwritten signature in black ink, likely belonging to D. Pennington, the Secretary. The signature is written over the text 'By order of the board' and extends across the middle of the page.

D. Pennington
Secretary

Registered office:

Pelham House
Broadfield Barton
Broadfield, Crawley
West Sussex RH11 9BY

AUDITORS' REPORT TO THE MEMBERS OF

UTILICOM LIMITED

We have audited the accounts on pages 4 to 11.

Respective responsibilities of directors and auditors

As described in the directors' report the company's directors are responsible for the preparation of accounts. It is our responsibility as auditors to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

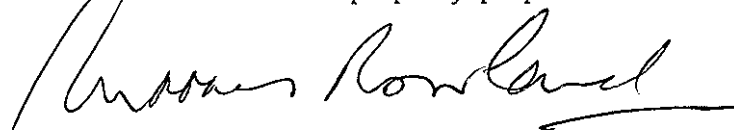
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts, 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 that we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30th June 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MOORES ROWLAND

Chartered Accountants
Registered Auditor
Crawley
West Sussex

27th November 1996

UTILICOM LIMITED**PROFIT AND LOSS ACCOUNT**

Year ended 30th June 1996

	Note	1996 £	1995 £
TURNOVER	1 & 4	1,642,337	1,599,381
Cost of sales		1,168,948	1,108,406
GROSS PROFIT		<u>473,389</u>	<u>490,975</u>
Administration costs		345,710	662,140
OPERATING PROFIT/(LOSS)		<u>127,679</u>	<u>(171,165)</u>
Investment income	2	24	17,425
Interest payable	3	(40,235)	(33,766)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	4	<u>87,468</u>	<u>(187,506)</u>
Tax credit on loss on ordinary activities		-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>87,468</u>	<u>(187,506)</u>
Retained deficit brought forward		(1,781,531)	(1,594,025)
RETAINED DEFICIT CARRIED FORWARD		<u>£(1,694,063)</u>	<u>£(1,781,531)</u>

All disclosures relate only to continuing operations.

There are no recognised gains or losses other than the profit or loss for the year.

UTILICOM LIMITED

BALANCE SHEET

As at 30th June 1996

	Note	1996 £	1995 £
FIXED ASSETS			
Tangible assets	8	163,178	221,820
CURRENT ASSETS			
Stocks	9	13,116	69,701
Debtors	10	610,615	790,149
Cash at bank and in hand		15,893	1,611
		<u>639,624</u>	<u>861,461</u>
CREDITORS - amounts falling due within one year	11	(264,954)	(959,945)
NET CURRENT ASSETS/(LIABILITIES)		<u>374,670</u>	<u>(98,484)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>537,848</u>	<u>123,336</u>
CREDITORS - amounts falling due after more than one year	12	-	(11,643)
Provisions for liabilities and charges	13	173,206	134,519
TOTAL NET ASSETS/(LIABILITIES)		<u><u>£364,642</u></u>	<u><u>£(22,826)</u></u>
CAPITAL AND RESERVES			
Called up share capital	14	550,000	250,000
Capital reserve	15	1,508,705	1,508,705
Profit and loss account		(1,694,063)	(1,781,531)
Total equity interest		<u><u>£364,642</u></u>	<u><u>£(22,826)</u></u>

Approved by the board on 27th November 1996

P.C. Bono
Director



UTILICOM LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

Basis of accounting:

The accounts have been prepared on the basis of historical cost and in accordance with applicable accounting standards.

The accounts have been prepared on a going concern basis, as the parent company has indicated that it will make sufficient funds available to the company to enable it to continue trading.

Turnover

Turnover represents sales, net of value added tax, to third parties arising from the principal activity of the company.

Depreciation of tangible fixed assets

Depreciation is provided on all tangible fixed assets so as to write them off over their anticipated useful lives at the following annual rates:-

Leasehold property	- 5% on a reducing balance basis.
Plant and machinery	- at 25% on a reducing balance basis.
Computer equipment	- 33% on cost.
Fixtures and fittings	- 15% and 33% on a reducing balance basis.
Motor vehicles	- 25% on a reducing balance basis.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Leasing and hire purchase contracts

Assets being acquired under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their anticipated useful lives. The obligation to make future rental payments, net of future finance charges, is recognised as a liability in the balance sheet. The interest element of the lease and hire purchase payments are charged to the profit and loss account at a constant rate over the period of the agreement.

Rentals under operating leases are charged to the profit and loss account as incurred.

Long term provision

The company undertakes to replace certain items of boiler plant and machinery, with regard to long term heat supply contracts, at the end of their useful lives. It is the company's policy to provide for this potential liability over the life of the contract by annual amounts adjusted for inflation. Expenditure incurred is offset against this provision.

UTILICOM LIMITED

NOTES TO THE ACCOUNTS (continued)

1. ACCOUNTING POLICIES (continued)

Pension costs

Retirement benefits to employees are provided by a defined contribution scheme. Contributions payable each year are charged to the profit and loss account.

2. INVESTMENT INCOME

	1996 £	1995 £
Bank interest receivable	24	-
Other interest receivable	-	17,425
	<u>£ 24</u>	<u>£17,425</u>

3. INTEREST PAYABLE

	1996 £	1995 £
Interest payable to group undertakings	35,000	27,941
On bank loans and overdrafts	2,711	3,737
On finance leases and hire purchase contracts	2,524	2,088
	<u>£ 40,235</u>	<u>£ 33,766</u>

4. TURNOVER AND PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover derives from the company's principal activity and arises wholly within the United Kingdom.

Profit/(loss) on ordinary activities before taxation is stated after charging:

	1996 £	1995 £
Loss on disposal of fixed assets	14,151	7,286
Depreciation of fixed assets - owned	22,239	31,057
- leased	-	9,645
Directors' emoluments (note 5)	-	22,667
Auditors' remuneration	6,500	13,000
Hire of Plant and Equipment	3,377	1,870
Operating lease payments	16,296	3,195
	<u>£ 62,559</u>	<u>£ 88,615</u>

UTILICOM LIMITED

NOTES TO THE ACCOUNTS (continued)

5. DIRECTORS AND OTHER EMPLOYEES

Staff costs include the following:

	1996 £	1995 £
Wages and salaries	596,190	780,362
Social security costs	59,790	86,292
Other pension costs	20,299	30,106
	<u>£676,279</u>	<u>£896,760</u>

The average number of persons, including the directors, who served during the year was as follows:

	Number	Number
Operating	22	36
Administration	7	9
	<u>29</u>	<u>45</u>

The emoluments of the directors were as follows

	1996 £	1995 £
For services as directors	-	22,667
Pensions	-	-
	<u>£ -</u>	<u>£ 22,667</u>

The emoluments, excluding pension contributions, of the chairman amounted to fnil (1995 fnil) and those of the highest paid director amounted to fnil (1995 £22,667).

6. PENSIONS

The company operates a defined contribution scheme for the benefit of certain employees. The assets of the scheme are held separately from those of the company and is an independently administered fund. The company also makes pension payments to certain employees' personal pension schemes.

The pension costs borne by the company amounted to £20,299 (1995 £30,106)

7. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

No liability to U.K. corporation tax arises on the results for the year. The company has tax losses of approximately £1.8 million available to offset against future taxable profits.

UTILICOM LIMITED

NOTES TO THE ACCOUNTS (continued)

8. TANGIBLE FIXED ASSETS

	Short Leasehold Land and Buildings £	Plant Machinery and Computer Equipment £	Motor Vehicles £	Fixtures and Fittings £	Total £
Cost or valuation:					
At 1st July 1995	183,777	94,093	176,892	131,867	586,629
Additions	-	494	-	-	494
Disposals	-	-	(144,233)	-	(144,233)
At 30th June 1996	<u>£183,777</u>	<u>£ 94,587</u>	<u>£ 32,659</u>	<u>£131,867</u>	<u>£442,890</u>
Depreciation:					
At 1st July 1995	45,560	82,877	135,711	100,661	364,809
Charge for year	6,911	7,394	1,071	6,863	22,239
Disposals	-	-	(107,336)	-	(107,336)
At 30th June 1996	<u>£ 52,471</u>	<u>£ 90,271</u>	<u>£ 29,446</u>	<u>£107,524</u>	<u>£279,712</u>
Net book value at 30th June 1996	<u>£131,306</u>	<u>£ 4,316</u>	<u>£ 3,213</u>	<u>£ 24,343</u>	<u>£163,178</u>
Net book value at 30th June 1995	<u>£138,217</u>	<u>£ 11,216</u>	<u>£ 46,277</u>	<u>£ 31,206</u>	<u>£221,820</u>

Included above are assets acquired under finance leases with a net book value of fnil (1995 - £23,626).

9. STOCKS

	1996 £	1995 £
Work in progress	-	50,806
Parts stock	13,116	18,895
	<u>£13,116</u>	<u>£69,701</u>

10. DEBTORS

	1996 £	1995 £
Trade debtors	259,409	654,502
Amounts owed by group undertakings	256,142	68,451
Other debtors	23,128	6,875
Prepayments and accrued income	71,936	60,321
	<u>£610,615</u>	<u>£790,149</u>

Notes
continued

UTILICOM LIMITED

NOTES TO THE ACCOUNTS (continued)

11. CREDITORS - amounts falling due within one year

	1996 £	1995 £
Bank loans and overdraft	-	48,876
Trade creditors	68,844	141,864
Amounts owed to group undertakings	97,430	544,204
Obligations under finance leases and hire purchase contracts	-	7,573
Taxation and social security	40,739	150,666
Other creditors	3,161	61,762
Accruals and deferred income	54,780	5,000
	<u>£264,954</u>	<u>£959,945</u>

12. CREDITORS - amounts falling due after more than one year

	1996 £	1995 £
Obligations under finance leases and hire purchase contracts	£ -	£ 11,643

13. PROVISION FOR LIABILITIES AND CHARGES

	1996 £	1995 £
Long term heat supply contracts	<u>£173,206</u>	<u>£134,519</u>

14. CALLED UP SHARE CAPITAL

	1996 £	1995 £
Authorised: 1,650,000 ordinary shares of £1 each	<u>£1,650,000</u>	<u>£1,650,000</u>
Allotted and fully paid: At 1st July 1995 250,000 ordinary shares of £1 each	250,000	250,000
Allotted in year 300,000 ordinary shares of £1 each at par	300,000	-
At 30th June 1996	<u>£550,000</u>	<u>£250,000</u>

UTILICOM LIMITED

NOTES TO THE ACCOUNTS (continued)

15. CAPITAL RESERVE

	1996	1995
	£	£
At 1st July 1995 and 30th June 1996	<u>£1,508,705</u>	<u>£1,508,705</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1996	1995
	£	£
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	87,468	(187,506)
New share capital subscribed	300,000	-
NET INCREASE/(REDUCTION) IN SHAREHOLDERS' FUNDS	<u>387,468</u>	<u>(187,506)</u>
Opening shareholders' funds	(22,826)	164,680
CLOSING SHAREHOLDERS' FUNDS	<u>£ 364,642</u>	<u>£(22,826)</u>

17. FINANCIAL COMMITMENTS

The amounts payable in the next year in respect of operating leases are shown below, analysed according to the expiry date of the leases.

	Land and buildings		Other	
	1996	1995	1996	1995
	£	£	£	£
Expiry date:				
Within one year	-	-	1,864	-
Between one and five years	-	5,750	42,023	4,784
After five years	8,070	7,750	-	-
	<u>£ 8,070</u>	<u>£13,500</u>	<u>£43,886</u>	<u>£ 4,784</u>

18. ULTIMATE PARENT COMPANY

The directors regard Idex SA, incorporated in France, as the company's ultimate parent company.

Copies of the ultimate parent company's accounts are obtainable from Idex SA, 8 Bis Rue Escudier, 92513 Boulogne-Bilancourt Cedex, France.

UTILICOM LIMITED
DETAILED PROFIT AND LOSS ACCOUNT
Year ended 30th June 1996

	1996	1995
	£	£
Sales	1,642,337	1,599,381
Opening stock and WIP	69,701	37,481
Purchases	1,073,677	1,131,642
Long term provision	38,685	8,984
	<u>1,182,063</u>	<u>1,178,107</u>
Closing stock	(13,115)	(69,701)
	<u>1,168,948</u>	<u>1,108,406</u>
GROSS PROFIT	<u>473,389</u>	<u>490,975</u>
LESS:OVERHEAD EXPENSES		
Administration wages and salaries	134,931	342,250
Staff pension	20,299	30,106
Directors' remuneration	-	22,667
Other staff costs	10,632	-
Training costs	170	829
Printing and stationery	7,741	8,401
Hire of equipment	3,377	1,870
Insurance	28,056	43,842
Advertising	-	4,391
Travelling and expenses	39,321	37,793
Sundry expenses	9,580	3,243
Rent and rates	39,484	41,180
Light and heat	4,601	3,868
Telephone and postage	11,388	12,601
Repairs and maintenance	28,849	16,044
Depreciation	22,239	40,702
Subscriptions and donations	2,222	2,551
Bad debts	11,647	4,800
Bank charges	4,903	3,220
Audit and accountancy	15,685	33,135
Legal and professional	11,434	1,361
Loss on sale of fixed assets	14,151	7,286
	<u>345,710</u>	<u>662,140</u>
NET OPERATING PROFIT/(LOSS)	<u><u>£ 127,679</u></u>	<u><u>£(171,165)</u></u>