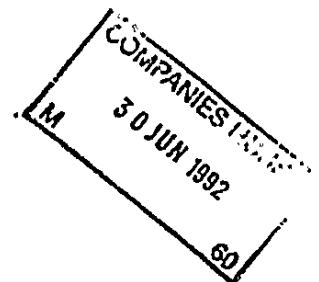


Utilicom Limited
(Company Number 1506399)

Report and Accounts
30th June 1991



04-07-92
B.192

Comins & Co
Chartered Accountants
London, Ashford and Geneva

Member of the ICC
international group

UTILICOM LIMITED

30TH JUNE 1991

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UTILICOM LIMITED
REPORT OF THE DIRECTORS

DIRECTORS:

A.J.M. Planchot (Chairman)
C.J. Maillard

SECRETARY:

R.A. Pledger

The directors present their report and accounts for the year ended 30th June 1991.

1. REVIEW OF THE BUSINESS

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

The company made an increased loss of £476,236 during the period due to difficult trading conditions reflected in the reduced turnover. Substantial reconstruction has taken place since the end of the year and the directors are hopeful that this will result in an improvement in the current period.

	<u>1991</u>	<u>1990</u>
Turnover	£1,731,945 =====	£2,018,646 =====
Loss before taxation	(476,236)	(437,847)
Taxation	-	(5,386)
Loss for the year	£ (476,236) =====	£ (432,461) =====

2. PROPOSED DIVIDEND

The directors do not recommend the payment of a dividend. (1990 - £NIL)

3. DIRECTORS AND THEIR INTERESTS

The directors have no interests in the share capital of the company. The directors during the year were as follows:-

A.J.M. Planchot
C.J. Maillard
S.B. Thomson

Mr S. B. Thomson retired on 8th July 1991

4. POST BALANCE SHEET EVENTS

On 31st August 1991 the company's share holders waived £743,374 of the loans outstanding at that date.

On 27th May 1992 the company's shareholders passed a resolution to make a capital contribution to the company of £658,705 to strengthen it's balance sheet.

UTILICOM LIMITED
REPORT OF THE DIRECTORS

5. AUDITORS

In accordance with the Companies Act 1985, a resolution proposing the re-appointment of Messrs. Comins & Co. as auditors of the company will be put to the annual general meeting.

BY ORDER OF THE BOARD

R.A. Pledger

Secretary

Registered Office:
22 St. Andrew Street
London
EC4A 3AN

27th May 1992

UTILICOM LIMITED
REPORT OF THE DIRECTORS

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C.J. Maillard

SECRETARY:

R.A. Pledger

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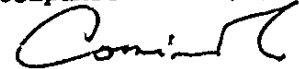
27th May 1992

REPORT OF THE AUDITORS
TO THE MEMBERS OF UTILICOM LIMITED

We have audited the accounts on pages 3 to 11 in accordance with auditing standards having regard to the matter referred to in the following paragraph.

These accounts have been drawn up on a going concern basis which assumes the continued support of other group companies.

Subject to the foregoing, in our opinion the accounts give a true and fair view of the state of affairs of the company at 30th June 1991 and of its loss and source and application of funds for the year ended on that date and have been properly prepared in accordance with the Companies Act 1985.



COMINS & CO.

Chartered Accountants

Registered Auditor

22 St. Andrew Street
London.
EC4A 3AN

27th May 1992

UTILICOM LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 1991

		<u>1991</u>	<u>1990</u>
	NOTE		
<u>TURNOVER</u>	2	1,731,945	2,018,646
Cost of sales		1,443,178	1,691,954
		<hr/>	<hr/>
<u>GROSS PROFIT</u>		288,767	326,692
Administrative expenses		639,856	638,305
		<hr/>	<hr/>
<u>OPERATING LOSS</u>	3	(351,089)	(311,613)
Interest receivable		1,884	14,000
Interest payable	5	(127,031)	(140,234)
		<hr/>	<hr/>
<u>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		(476,236)	(437,847)
Taxation	6	-	(5,386)
		<hr/>	<hr/>
<u>LOSS FOR THE FINANCIAL YEAR</u>	13	£ (476,236) =====	£ (432,461) =====
The notes on pages 7 to 11 form part of these accounts			

UTILICOM LIMITED

BALANCE SHEET
30TH JUNE 1991

	NOTE	1991	1990
<u>FIXED ASSETS</u>			
Tangible assets	7	215,833	286,061
<u>CURRENT ASSETS</u>			
Stocks	8	158,525	174,816
Debtors	9	513,624	701,791
Cash at bank and in hand		9,346	3,351
		681,495	879,958
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	10	(1,855,762)	(1,637,782)
<u>NET CURRENT LIABILITIES</u>		(1,174,267)	(757,824)
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		(958,434)	(471,763)
<u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>	11	(77,378)	(87,813)
<u>NET DEFICIENCY OF ASSETS</u>		£(1,035,812) =====	£(559,576) =====
<u>CAPITAL AND RESERVES</u>			
Called up share capital	12	250,000	250,000
Profit and loss account	13	(1,285,812)	(809,576)
		£(1,035,812) =====	£(559,576) =====
Approved by the board and signed on its behalf on 27th May 1992			
.....) A.J.M. Planchot)	Directors		
.....) C.J. Maillard)			
The notes on pages 7 to 11 form part of these accounts			

UTILICOM LIMITED

SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 30TH JUNE 1991

	<u>1991</u>	<u>1990</u>
<u>OUTFLOW OF FUNDS</u>		
Loss on ordinary activities before taxation	(476,236)	(437,847)
Adjustment for items not involving the movement of funds:		
Depreciation	67,845	77,122
Net loss on sale of fixed assets	1,083	656
	<u>68,928</u>	<u>77,778</u>
<u>TOTAL ABSORBED BY OPERATIONS</u>	(407,308)	(360,069)
<u>FUNDS FROM OTHER SOURCES</u>		
Proceeds of sale of fixed assets	5,635	18,145
(Decrease)/Increase in creditors due after more than one year	(10,435)	16,561
	<u>(4,800)</u>	<u>34,706</u>
	(412,108)	(325,363)
<u>APPLICATION OF FUNDS</u>		
Purchase of fixed assets	3,486	83,196
Tax paid	5,410	7,501
	<u>(8,896)</u>	<u>(90,697)</u>
<u>DECREASE IN WORKING CAPITAL</u>	£(421,004)	£(416,060)
	=====	=====
<u>WORKING CAPITAL MOVEMENTS</u>		
Stocks	(16,291)	(54,227)
Debtors	(192,728)	(364,879)
Creditors	(693,792)	(51,872)
	<u>(902,811)</u>	<u>(470,978)</u>
<u>Movement in Net Liquid Funds</u>		
Cash at bank and in hand	5,995	2,889
Bank overdraft	475,812	52,029
	<u>481,807</u>	<u>54,918</u>
	£(421,004)	£(416,060)
	=====	=====

UTILICOM LIMITED

NOTES TO THE ACCOUNTS
30TH JUNE 1991

1. ACCOUNTING POLICIES

(i) Accounting convention

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

(ii) Long term provision

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

(iii) Depreciation

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

Leasehold land and buildings	at 5% p.a. on a reducing balance basis
Plant and machinery	at 25% p.a. on a reducing balance basis
Fixtures and fittings	at 15% p.a. on a reducing balance basis
Motor vehicles	at 25% p.a. on a reducing balance basis
Office equipment	at 33% p.a. on a reducing balance basis
Computer systems	at 33% p.a. on a straight line basis

(iv) Stocks

Stocks are stated in accordance with Statement of Standard Accounting Practice No.9 as follows:

Work in progress	cost of direct materials and labour
Stocks of spares	at the lower of cost and net realisable value

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

(v) Deferred taxation

Deferred taxation is provided on the liability method on all short term timing differences. Provision is also made for long term timing differences except for those which are not expected to reverse in the future.

UTILICOM LIMITED

NOTES TO THE ACCOUNTS
30TH JUNE 1991

2. TURNOVER

All turnover is derived in the United Kingdom and relates to the principal activity of the company.

3. OPERATING LOSS

	<u>1991</u>	<u>1990</u>
This is stated after charging:		
Depreciation	£67,845	£77,122
Hire of plant and machinery	£ 2,383	£ 8,106
Auditors' remuneration	£ 8,000	£ 7,000
	=====	=====

4. EMPLOYEES

The average weekly number of employees during the year was made up as follows:

	<u>1991</u>	<u>1990</u>
Administrative staff	15	15
Engineers	43	47
	—	—
	58	62
	===	===

Staff costs during the year amounted to:

Wages and salaries	726,433	916,465
Social security costs	83,994	88,364
Other pension costs	10,739	10,312
	—	—
	£821,166	£1,015,141
	=====	=====

Staff costs include the following in respect of directors:

£77,290	£55,006
=====	=====

Directors' emoluments (excluding pension contributions) were paid as follows:

Chairman	Nil	Nil
	=====	=====

Highest paid director	£33,051	£33,684
	=====	=====

Other directors:

£15,001 - £20,000	-	1
	===	===
£30,001 - £35,000	1	-
	===	===

UTILICOM LIMITED

NOTES TO THE ACCOUNTS
30TH JUNE 1991

5. <u>INTEREST PAYABLE</u>	<u>1991</u>	<u>1990</u>
On bank overdraft and loan wholly repayable within five years	1,580	101,611
Interest payable to group undertakings	125,095	38,623
Other interest	356	-
	<hr/>	<hr/>
	£127,031	£140,234
	=====	=====

6. <u>TAXATION</u>		
UK Corporation Tax at 25% (1990 25%)		
Current	-	(4,986)
Deferred	-	(400)
	<hr/>	<hr/>
	£ -	£ (5,386)
	=====	=====

There is no liability to U.K. corporation tax due to losses incurred during the year.

7. <u>TANGIBLE FIXED ASSETS</u>	<u>LEASEHOLD LAND & BUILDINGS</u>	<u>MOTOR VEHICLES</u>	<u>PLANT AND MACHINERY</u>	<u>FIXTURES & FITTINGS</u>	<u>COMPUTER SYSTEMS & OFFICE EQUIPMENT</u>	<u>TOTAL</u>
<u>Cost</u>						
At 1st July 1990	89,507	285,875	13,059	58,193	83,162	529,796
Additions	-	1,184	-	1,457	1,694	4,335
Disposals	-	(21,177)	-	-	-	(21,177)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30th June 1991	£89,507	£265,882	£13,059	£59,650	£84,856	£512,954
	=====	=====	=====	=====	=====	=====
<u>Depreciation</u>						
At 1st July 1990	12,767	142,681	10,945	28,092	49,250	243,735
Charge for the year	3,837	37,315	528	4,734	21,431	67,845
Eliminated on disposals	-	(14,459)	-	-	-	(14,459)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30th June 1991	£16,604	£165,537	£11,473	£32,826	£70,681	£297,121
	=====	=====	=====	=====	=====	=====
<u>Net Book Value</u>						
At 30th June 1991	£72,903	£100,345	£1,586	£26,824	£14,175	£215,833
	=====	=====	=====	=====	=====	=====
At 1st July 1990	£76,740	£143,194	£2,114	£30,101	£33,912	£286,061
	=====	=====	=====	=====	=====	=====

UTILICOM LIMITED

NOTES TO THE ACCOUNTS
30TH JUNE 1991

8. <u>STOCKS</u>	<u>1991</u>	<u>1990</u>
Stock of spares	121,318	100,899
Fuel	16,193	15,922
Work in progress	91,934	234,858
Applicable payments on account	(70,920)	(176,863)
	<hr/>	<hr/>
	£158,525	£174,816
	=====	=====
9. <u>DEBTORS</u>		
Trade debtors	134,265	306,349
Other debtors	364,753	384,448
Prepayments and accrued income	14,606	10,994
	<hr/>	<hr/>
	£513,624	£701,791
	=====	=====
10. <u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>		
Bank overdraft	6,605	482,417
Amounts due to group undertakings	1,336,522	709,127
Trade creditors	136,055	215,084
Taxation and social security costs	34,198	77,531
Other creditors	328,192	127,773
Accruals	14,190	25,850
	<hr/>	<hr/>
	£1,855,762	£1,637,782
	=====	=====
11. <u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>		
Long term provision	£ 77,378	£ 87,813
	=====	=====

UTILICOM LIMITED
NOTES TO THE ACCOUNTS
30TH JUNE 1991

12. SHARE CAPITAL

	<u>1991</u>	<u>1990</u>
Authorised:		
250,000 ordinary shares of £1 each	£250,000 =====	£250,000 =====
Allotted, called up and fully paid		
250,000 ordinary shares of £1 each	£250,000 =====	£250,000 =====

13. PROFIT AND LOSS ACCOUNT

At 1st July 1990	(809,576)
Sustained loss for the year	(476,236)

At 30th June 1991	£(1,285,812) =====

14. ULTIMATE PARENT COMPANY

The ultimate parent company is IDEX et Cie, which is registered in France.

15. PENSION CONTRIBUTIONS

The company operates a defined contribution pension scheme for the benefit of certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The company also makes pension payments to certain employees' own personal pension schemes. The pension cost charge represents all contributions payable by the company and amounted to £10,739 (1990 : £10,312).

16. POST BALANCE SHEET EVENTS

On 31st August 1991 the company's shareholders waived £743,374 of the loan outstanding at that date.

On 27th May 1992 the company's shareholders passed a resolution to make a capital contribution to the company of £658,705 to strengthen its balance sheet.