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Utilicom Limited

Report and Accounts

30th June 1989

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Comins & Co
Chartered Accountants
London, Ashford and Geneva



Member of the ICC
international group

UTILICOM LIMITED

30TH JUNE 1989

CONTENTS

Page Nos.

1	DIRECTORS' REPORT
2	AUDITORS' REPORT
3	PROFIT AND LOSS ACCOUNT
4	BALANCE SHEET
5	SOURCE AND APPLICATION OF FUNDS
6 to 11	NOTES TO THE ACCOUNTS.

UTILICOM LIMITED
REPORT OF THE DIRECTORS

DIRECTORS:

A.J.M. Planchot (Chairman)
C.J. Maillard
S.B. Thomson

SECRETARY:

R.A. Pledger

The Directors present their report and accounts for the year ended 30th June 1989.

1. REVIEW OF THE BUSINESS

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

	1989	1988
Turnover	£1,912,385	£1,792,876
	=====	=====
(Loss)/Profit before Taxation	(11,195)	22,867
Taxation	(6,067)	10,184
	-----	-----
(Loss)/Profit for the year	£ (5,128)	£ 12,683
	=====	=====

2. PROPOSED DIVIDEND

The Directors do not recommend the payment of a dividend, (1988 - £NIL)

3. DIRECTORS AND THEIR INTERESTS

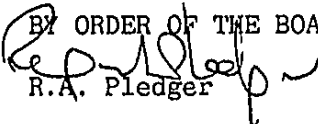
The Directors have no interests in the shares of the company. The Directors during the year were as follows:-

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

4. AUDITORS

In accordance with Section 384 of 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.

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

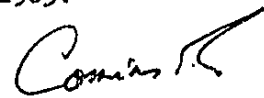
BY ORDER OF THE BOARD

R.A. Pledger
Secretary

21st September 1990

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.

In our opinion the Accounts, give a true and fair view of the state of affairs of the company at 30th June 1989 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

22, St. Andrew Street,
London,
EC4A 3AN.

21st September 1990

UTILICOM LIMITED

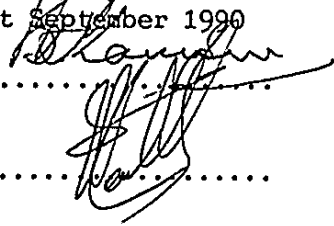
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 1989

		1989 £	1988 £
<u>TURNOVER</u>	NOTE 2	1,912,385	1,792,876
<u>COST OF SALES</u>		1,188,414	1,219,346
<u>GROSS PROFIT</u>		723,971	573,530
Administrative Expenses		687,844	516,933
<u>OPERATING PROFIT</u>	3	36,127	56,597
Income from Investments		22,228	14,000
		58,355	70,597
Interest Payable	5	69,550	47,730
<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		(11,195)	22,867
Taxation	6	(6,067)	10,184
<u>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</u>	14	£ (5,128)	£ 12,683

The notes on pages 6 to 11
form part of these Accounts

UTILICOM LIMITED

BALANCE SHEET
30TH JUNE 1989

		1989		1988	
	NOTE	£	£	£	£
<u>FIXED ASSETS</u>					
Tangible Assets	7		298,788		272,759
<u>CURRENT ASSETS</u>					
Stocks	8	424,892		180,291	
Debtors	9	1,082,301		974,396	
Cash at bank and in hand		462		3,026	
		-----		-----	
		1,507,655		1,157,713	
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	10	1,395,386		1,024,519	
		-----		-----	
<u>NET CURRENT ASSETS</u>			112,269		133,194
			-----		-----
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			411,057		405,953
<u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>	11		(71,252)		(53,445)
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>	13		(400)		(7,975)
			-----		-----
<u>NET ASSETS</u>			£339,405		£344,533
			=====		=====
<u>CAPITAL AND RESERVES</u>					
Called Up Share Capital	13		250,000		250,000
Profit and Loss Account	14		89,405		94,533
			-----		-----
<u>SHAREHOLDERS' FUNDS</u>			£339,405		£344,533
			=====		=====
Approved by the Board on 21st September 1990					
)) Directors					
The notes on pages 6 to 11 form part of these accounts					

UTILICOM LIMITED

SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 30TH JUNE 1989

	1989		1988	
	£	£	£	£
<u>SOURCE OF FUNDS</u>				
(Loss)/Profit on ordinary activities before taxation		(11,195)		22,867
Adjustment for items not involving the movement of funds:				
Depreciation	68,870		59,022	
Net Loss/(Profit) on sale of Fixed Assets	2,549		(378)	
		71,419		58,644
<u>TOTAL GENERATED FROM OPERATIONS</u>		60,244		81,511
<u>FUNDS FROM OTHER SOURCES</u>				
Proceeds of sale of Fixed Assets	4,850		9,996	
Increase in Creditors due after more than one year	17,807		6,801	
Issue of Ordinary Shares	-		-	
Sale of Investments	-		-	
Taxation Repayment	3,728		711	
		26,385		17,508
		86,609		99,019
<u>APPLICATION OF FUNDS</u>				
Purchase of Fixed Assets		102,298		165,393
<u>DECREASE IN WORKING CAPITAL</u>		£(15,689)		£(66,374)
		=====		=====
<u>WORKING CAPITAL MOVEMENTS</u>				
Stocks		244,601		125,325
Debtors		107,905		67,268
Creditors		(228,688)		(234,892)
		123,818		(42,299)
<u>Movement in Net Liquid Funds</u>				
Cash at bank and in hand	(2,564)		(38,005)	
Bank overdraft	(136,943)		13,930	
		(139,507)		(24,075)
		£(15,689)		£(66,374)
		=====		=====

UTILICOM LIMITED

NOTES TO THE ACCOUNTS
30TH JUNE 1989

1. ACCOUNTING POLICIES

(i) Accounting Convention

The Accounts are prepared under the historical cost convention.

(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:

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

(iv) Stocks

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

Purchased for re-sale:- purchase cost on a first in first out basis

Stocks of Spares:- purchase cost on a last in first out basis

Work in Progress:- cost of direct materials and labour plus attributable overheads based on normal level of activity.

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

(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 1989

2. TURNOVER

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

3. OPERATING PROFIT

	<u>1989</u>	<u>1988</u>
This is stated after charging:		
Depreciation	68,870	59,022
Hire of Plant and Machinery	4,884	4,883
Auditors' Remuneration	6,000	5,000
	=====	=====

4. EMPLOYEES

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

	<u>1989</u>	<u>1988</u>
Administrative Staff	15	15
Engineers	44	39
	---	---
	59	54
	===	===

	<u>1989</u>	<u>1988</u>
Staff costs during the year amounted to:		
Wages and Salaries	768,341	589,828
Social Security Costs	74,397	60,220
Other Pension Costs	14,192	14,215
	-----	-----
	£856,930	£664,263
	=====	=====

	<u>1989</u>	<u>1988</u>
Staff costs include the following in respect of Directors:		
Others Emoluments (including pension contributions)	£50,684	£17,000
	=====	=====

UTILICOM LIMITED

NOTES TO THE ACCOUNTS
30TH JUNE 1989

5.	<u>INTEREST PAYABLE</u>	<u>1989</u>	<u>1988</u>
	Bank overdraft	53,377	42,546
	Interest on loan repayable within five years	16,173	5,184
		-----	-----
		£69,550	£47,730
		=====	=====
7.	<u>TAXATION</u>	<u>1989</u>	<u>1988</u>
	UK Corporation Tax at 25% (1988 26.5%)		
	Current	5,236	7,251
	Deferred	(7,575)	4,067
	Over-provision in prior year	(3,728)	(1,134)
		-----	-----
		£ (6,067)	£10,184
		=====	=====

UTILICOM LIMITED
NOTES TO THE ACCOUNTS
30TH JUNE 1989

7. TANGIBLE FIXED ASSETS

	<u>LAND & BUILDINGS</u>	<u>MOTOR VEHICLES</u>	<u>PLANT AND MACHINERY</u>	<u>FIXTURES & FITTINGS</u>	<u>OFFICE EQUIPMENT</u>	<u>TOTAL</u>
<u>Cost</u>						
At 1st July 1988	89,507	212,771	13,059	46,282	29,741	391,360
Additions	-	73,887	-	1,076	27,335	102,298
Disposals	-	(13,639)	-	-	-	(13,639)
	-----	-----	-----	-----	-----	-----
At 30th June 1989	£89,507	£273,019	£13,059	£47,358	£57,076	£480,019
	=====	=====	=====	=====	=====	=====
<u>Depreciation</u>						
At 1st July 1988	4,476	72,946	9,300	20,085	11,794	118,601
Charge for the year	4,252	45,998	940	4,011	13,669	68,870
Eliminated on Disposals	-	(6,240)	-	-	-	(6,240)
	-----	-----	-----	-----	-----	-----
At 30th June 1989	£8,728	£112,704	£10,240	£24,096	£25,463	£181,231
	=====	=====	=====	=====	=====	=====
<u>Net Book Value</u>						
At 30th June 1989	£80,779	£160,315	£2,819	£23,262	£31,613	£298,788
	=====	=====	=====	=====	=====	=====
At 1st July 1988	£85,031	£139,825	£3,759	£26,197	£17,947	£272,759
	=====	=====	=====	=====	=====	=====

UTILICOM LIMITED

NOTES TO THE ACCOUNTS 30TH JUNE 1989

8.	<u>STOCKS</u>	<u>1989</u>	<u>1988</u>
	Stock of Spares	97,725	46,252
	Fuel	18,269	20,483
	Work in Progress	308,898	113,556
		-----	-----
		£424,892	£180,291
		=====	=====
9.	<u>DEBTORS</u>	<u>1989</u>	<u>1988</u>
	Trade debtors	608,675	532,553
	Amounts owed by Holding Company	-	121,542
	Other Debtors	445,354	292,528
	Prepayments and Accrued Income	28,272	27,773
		-----	-----
		£1,082,301	£974,396
		=====	=====
10.	<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	<u>1989</u>	<u>1988</u>
	Bank overdraft **	534,446	397,503
	Trade creditors	230,538	289,293
	Payments on Account	195,849	-
	Amounts due to Holding Company	274,995	180,364
	Current Corporation Tax	12,487	7,251
	Other Taxes and Social Security costs	101,840	95,962
	Other Creditors	21,359	13,770
	Accruals	23,872	40,376
		-----	-----
		£1,395,386	1,024,519
		=====	=====

** The Bank holds a floating charge over the assets of the company.

11.	<u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>	<u>1989</u>	<u>1988</u>
	Long Term Provision	£ 71,252	£ 53,445
		=====	=====

UTILICOM LIMITED

NOTES TO THE ACCOUNTS 30TH JUNE 1989

12. PROVISIONS FOR LIABILITIES AND CHARGES

This comprises deferred taxation. The provision in the Accounts relates to accelerated capital allowances and represents the full potential liability.

13. SHARE CAPITAL

	<u>1989</u>	<u>1988</u>
Authorised Ordinary shares of £1 each	£250,000 =====	£250,000 =====
Allotted called-up and fully paid Ordinary shares of £1 each	£250,000 =====	£250,000 =====

14. PROFIT AND LOSS ACCOUNT

At 1st July 1988	94,533
Sustained loss for the year	(5,128)

At 30th June 1989	£ 89,405 =====

15. ULTIMATE HOLDING COMPANY

The Company is owned 50% by IDEX SA and 50% by STREC SA. Both companies are incorporated in France.