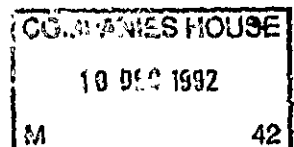


ASSOCIATED ELECTRICITY SUPPLIES LIMITED

ANNUAL REPORT AND ACCOUNTS

1991 - 1992



ASSOCIATED ELECTRICITY SUPPLIES LIMITED

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ASSOCIATED ELECTRICITY SUPPLIES LIMITED

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DIRECTORS AND OFFICERS

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DIRECTORS

Lord Ezra	(Chairman)
R. L. Cohen	(Managing Director)
J. C. Banon	(French)
J-P. Guery	(French)
B. Jacob	(French)
P. Lederer	(French)
D. G. S. Waterstone, C.B.E.	

SECRETARY AND REGISTERED OFFICE

R. G. Castle  
8, Headfort Place, London, SW1X 7DH

AUDITORS

Ernst & Young  
Becket House, 1 Lambeth Palace Road, London, SE1 7EU

ASSOCIATED ELECTRICITY SUPPLIES LIMITED

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DIRECTORS' REPORT

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The directors have pleasure in presenting their report and the accounts for the financial year ended 31st March, 1992.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activities of the company are to provide advisory services in connection with the use of the cross-channel power link between Great Britain and France.

The increase in turnover reflects changes in price levels in the electricity industry.

FUTURE ACTIVITIES

Over the coming year the company will be expanding its activities to include consultancy services in connection with the supply and consumption of electricity in the United Kingdom.

ACCOUNTS AND DIVIDENDS

The profit after taxation amounted to £14,514,815 in the financial year ended 31st March, 1992, as compared with a profit of £8,449,103 in the year to 31st March, 1991. An interim dividend of £125,000 per share was paid on the 27th March, 1992. No further dividend is proposed.

DIRECTORS

The board was particularly saddened by the death of Mr W. H. Withycombe, the Chief Executive officer, on the 18th August, 1991.

Mr R. Cohen was appointed as Managing Director on the 1st November, 1991 to replace the late Mr. W. H. Withycombe. Mr A. Bellin and Mr J. Zask were both directors until their resignation on the 16th June, 1992. Mr B. Jacob and Mr J-P. Guery were both appointed on the 16th June, 1992.

Other than the directors mentioned above, all the directors listed on page 2 held office throughout the year.

DIRECTORS' INTERESTS

There are no directors' interests requiring disclosure under the Companies Act 1985.

By order of the board



R. G. Castle  
Secretary  
8th July, 1992

ASSOCIATED ELECTRICITY SUPPLIES LIMITED

PROFIT AND LOSS ACCOUNT  
for the year ended 31st March, 1992

	Notes	1991/92 £	1990/91 £
TURNOVER	1b & 2	19,840,352	11,987,415
Employee costs	3	201,594	164,901
Depreciation of tangible fixed assets		21,854	16,660
Other operating charges	5	<u>482,393</u>	<u>556,399</u>
		705,841	737,960
OPERATING PROFIT BEFORE INTEREST		19,134,511	11,249,455
Interest receivable and other income	6	<u>2,532,504</u>	<u>1,574,905</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		21,667,015	12,824,360
Taxation	7	<u>7,152,200</u>	<u>4,375,257</u>
PROFIT FOR THE FINANCIAL YEAR ATTRIBUTABLE TO MEMBERS OF THE COMPANY		14,514,815	8,449,103
Dividends	8	<u>12,500,000</u>	<u>8,387,758</u>
RETAINED PROFIT FOR THE YEAR		<u><u>2,014,815</u></u>	<u><u>61,345</u></u>

STATEMENT OF RETAINED PROFITS

Balance at 1st April, 1991	-	(61,345)
Retained profit for the year	<u>2,014,815</u>	<u>61,345</u>
Balance at 31st March, 1992	<u><u>2,014,815</u></u>	<u><u>-</u></u>

ASSOCIATED ELECTRICITY SUPPLIES LIMITED

BALANCE SHEET  
as at 31st March, 1992

	Notes	31st March 1992 £	31st March 1991 £
FIXED ASSETS	9	53,722	77,386
CURRENT ASSETS			
Debtors	10	7,377,921	14,979,811
Cash at bank and in hand		39,474	70,527
		<u>7,417,395</u>	<u>15,050,338</u>
CREDITORS- amounts falling due within one year	11	5,302,734	15,123,207
NET CURRENT ASSETS/ (LIABILITIES)		<u>2,114,661</u>	<u>(72,869)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,168,383	4,517
PROVISION FOR LIABILITIES AND CHARGES			
Deferred Taxation	12	153,468	4,417
TOTAL NET ASSETS		<u>2,014,915</u>	<u>100</u>
CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL	13	100	100
PROFIT AND LOSS ACCOUNT		2,014,815	-
SHAREHOLDERS' FUNDS		<u>2,014,915</u>	<u>100</u>

*Derek Ezra*

Derek Ezra

Director

8th July, 1992

ASSOCIATED ELECTRICITY SUPPLIES LIMITED

STATEMENT OF CASH FLOWS  
for the year ended 31st March, 1992

	Notes	1991/92 £	1990/91 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	14	25,938,164	(775,187)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		1,413,769	785,136
Dividends paid		(20,887,758)	-
Net cash inflow/(outflow) from returns on investments and servicing of finance		(19,473,989)	785,136
TAXATION			
Corporation tax paid		(6,497,038)	-
INVESTING ACTIVITIES			
Purchase of tangible fixed assets		(3,411)	(83,819)
Sale proceeds of tangible fixed assets		5,221	-
Net cash inflow/(outflow) from investing activities		1,810	(83,819)
NET CASH OUTFLOW BEFORE FINANCING		<u>(31,053)</u>	<u>(73,870)</u>
FINANCING			
Decrease in cash and cash equivalents.		<u>(31,053)</u>	<u>(73,870)</u>

ASSOCIATED ELECTRICITY SUPPLIES LIMITED

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NOTES TO THE ACCOUNTS

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1. ACCOUNTING POLICIES

a) Accounting convention

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

b) Turnover

Turnover represents the amounts derived from the provision of services which fall within the group's ordinary activities, stated net of value added tax.

c) Depreciation

Depreciation is provided on all tangible fixed assets evenly over their expected useful lives as follows:

Office Equipment	5 years
Motor Vehicles	4 years

d) Leasing

Rentals payable by the company under an operating lease are charged to the profit and loss account as incurred.

e) Deferred taxation

Provision is made for deferred taxation using the liability method on short term timing differences and on all other material timing differences to the extent that they are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

f) Pension costs

The cost of providing pension benefits is charged to the profit and loss account over the period benefitting from employees' services.

2. SEGMENT ANALYSIS

The turnover and pre-tax profit arise purely from France and are wholly attributable to the principal activities of the business.



ASSOCIATED ELECTRICITY SUPPLIES LIMITED

NOTES TO THE ACCOUNTS

3. EMPLOYEE COSTS

	1991/92 £	1990/91 £
Wages and salaries	171,142	142,201
Social security costs	14,723	12,216
Other pension costs	15,729	10,484
	<u>201,594</u>	<u>164,901</u>

The average weekly number of employees during the year was 6 (1990/91 5).

4. EMOLUMENTS OF DIRECTORS

	1991/92 £	1990/91 £
a) Aggregate emoluments of directors including pension contributions:		
Fees	-	-
Other emoluments	65,548	49,065
	<u>65,548</u>	<u>49,065</u>
b) Emoluments of the directors, excluding pension contributions, were as follows:	1991/92 £	1990/91 £
Chairman	-	-
Highest paid director	43,889	49,065
c) The emoluments of directors fall within the following ranges:	No. of directors	
£0 - £5,000	5	7
£20,000 - £25,000	1	-
£40,000 - £45,000	1	-
£45,000 - £50,000	-	1
	<u>        </u>	<u>        </u>

ASSOCIATED ELECTRICITY SUPPLIES LIMITED

NOTES TO THE ACCOUNTS

5. OTHER OPERATING CHARGES

	1991/92 £	1990/91 £
Other operating charges include:		
Operating lease rentals	92,000	46,000
Auditors' remuneration	<u>3,900</u>	<u>2,700</u>

6. INTEREST RECEIVABLE AND OTHER INCOME

	1991/92 £	1990/91 £
Interest receivable from group undertakings	1,350,581	770,287
Bank interest receivable	10,952	14,849
Other income	<u>1,170,971</u>	<u>789,769</u>
	<u>2,532,504</u>	<u>1,574,905</u>

7. TAXATION

	1991/92 £	1990/91 £
The charge on the profit on ordinary activities for the year comprises:		
UK Corporation tax at 33% (1990/91 - 34%)	7,014,491	4,357,933
Deferred taxation	135,249	17,324
Group relief written off	33,550	-
less over provision of a prior year	<u>(31,090)</u>	<u>-</u>
	<u>7,152,200</u>	<u>4,375,257</u>

ASSOCIATED ELECTRICITY SUPPLIES LIMITED

NOTES TO THE ACCOUNTS

8. DIVIDENDS

	1991/92 £	1990/91 £
An interim dividend of £125,000 per ordinary share was paid on 27th March, 1992	<u>12,500,000</u>	<u>8,387,758</u>

9. TANGIBLE FIXED ASSETS

	Office Machines £	Motor Vehicles £	Total £
Cost			
1 April, 1991	49,767	50,640	100,407
Additions	2,675	-	2,675
Inter-group transfers	-	17,643	17,643
Disposals	(1,669)	(15,495)	(17,164)
At 31 March, 1992	<u>50,773</u>	<u>52,788</u>	<u>103,561</u>
Depreciation			
1 April, 1991	7,755	15,266	23,021
Charge for the year	10,037	11,817	21,854
Inter-group transfers	-	16,907	16,907
Disposals	(641)	(11,302)	(11,943)
At 31 March, 1992	<u>17,151</u>	<u>32,688</u>	<u>49,839</u>
Net Book Value:			
at 31 March, 1992	<u>33,622</u>	<u>20,100</u>	<u>53,722</u>
at 1 April, 1991	<u>42,012</u>	<u>35,374</u>	<u>77,386</u>

ASSOCIATED ELECTRICITY SUPPLIES LIMITED

NOTES TO THE ACCOUNTS

10. DEBTORS

	31st March 1992 £	31st March 1991 £
Trade debtors	7,328,372	858,327
Amounts owed by group undertakings	-	11,776,141
Other debtors	12,961	24,509
Prepayments and accrued income	36,587	27,989
Advance corporation tax recoverable	-	2,292,845
	<u>7,377,921</u>	<u>14,979,811</u>

11. CREDITORS

	31st March 1992 £	31st March 1991 £
Trade creditors	-	-
Amounts owed to group undertakings	490,688	-
Corporation tax	2,166,177	4,357,933
Accruals and deferred income	104,202	70,869
Dividends proposed	-	8,387,758
Advance corporation tax payable	2,541,667	2,306,647
	<u>5,302,734</u>	<u>15,123,207</u>

12. DEFERRED TAXATION

	31st March 1992 £	31st March 1991 £
Tax on accelerated capital allowances	45	1,122
Tax on short term timing differences	153,423	17,097
	<u>153,468</u>	<u>18,219</u>
less: Advance corporation tax recoverable	-	13,802
	<u>153,468</u>	<u>4,417</u>

ASSOCIATED ELECTRICITY SUPPLIES LIMITED

NOTES TO THE ACCOUNTS

13. SHARE CAPITAL

	31st March 1992 £	31st March 1991 £
Ordinary shares of £1 each:		
Authorised, issued and fully paid	100	100

14. RECONCILIATION OF OPERATING PROFIT TO  
NET CASH INFLOW FROM OPERATING ACTIVITIES

	1991/92 £	1990/91 £
Operating Profit	19,134,511	11,249,455
Depreciation	21,854	16,660
Operating expenses reimbursed	705,841	737,745
(Increase) / decrease in debtors	5,688,605	(12,344,256)
Increase / (decrease) in creditors	387,353	(434,791)
Net cash inflow from operating activities	25,938,164	(775,187)

15. FINANCIAL COMMITMENTS

The annual level of commitment under non-cancellable operating leases was as follows:

	1991/92 £	1990/91 £
Land and buildings:		
Operating leases which expire after 5 years	92,000	92,000

ASSOCIATED ELECTRICITY SUPPLIES LIMITED

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NOTES TO THE ACCOUNTS

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16. PENSION COMMITMENTS

The majority of the employees of the company are members of a group defined benefit pension scheme. The assets of the scheme are controlled and invested by the trustees independently of the finances of the group companies concerned. Contributions to the scheme are funded on the basis of rates recommended by actuaries at the time of their triennial valuations, the most recent of which was carried out on the 1st April, 1991.

Details of the pension scheme can be found in the accounts of Energy and Technical Services plc.

17. PARENT UNDERTAKINGS

The company is a 75% subsidiary of Energy and Technical Services Group plc, registered in England and Wales. The ultimate parent company is Compagnie Generale des Eaux, incorporated in France. The results for the year are incorporated in the group accounts of both the parent companies. Copies of the accounts of Compagnie Generale des Eaux can be obtained from:

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

ASSOCIATED ELECTRICITY SUPPLIES LIMITED

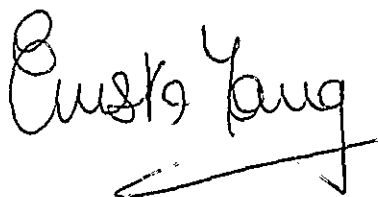
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REPORT OF THE AUDITORS

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We have audited the accounts on pages 4 to 13 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 31st March, 1992 and of the profit and cash flows of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in cursive script, appearing to read 'Ernst & Young', with a long horizontal flourish extending from the bottom of the signature.

Ernst & Young  
Chartered Accountants  
Registered Auditor  
London.  
8th July, 1992