

# **IDEX Energy UK Limited**

## **Directors' report and financial statements**

**Registered number 2240219**

**For the year ended  
28 February 2007**

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## Directors' report

The directors present their report and the audited financial statements for the year ended 28 February 2007

### Principal activities

The principal activity of the company during the year continued to be that of intermediate holding company

### Results and dividends

The trading results for the year, and the company's financial position at the end of the year, are shown in the attached financial statements. The directors have not recommended a dividend.

### Directors and directors' interests

The directors who held office during the year were as follows

A J M Planchot  
P C Bono  
P V Debatte  
Baroness Maddock  
G M Peck  
S Woodward

No director had any beneficial interest in the share capital of the company nor in the shares of any other group companies. No rights to subscribe for shares in or debentures of group companies were granted to any of the directors or their immediate families, or exercised by them, during the financial period. Interests in the share capital of the ultimate parent company, IH International SA, are shown in the financial statements of that company.

### Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

### Statement as to disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



**P V Debatte**  
*Director*

Garrett House  
Manor Royal  
Crawley  
West Sussex  
RH10 2PY

4 May 2007

## **Statement of directors' responsibilities in respect of the directors' report and the financial statements**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities



## **KPMG LLP**

1 Forest Gate  
Brighton Road  
Crawley  
RH11 9PT  
United Kingdom

### **Independent auditors' report to the members of IDEX Energy UK Limited**

We have audited the financial statements of IDEX Energy UK Limited for the year ended 28 February 2007 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the relevant information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, 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 which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements 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 financial statements.

## **Report of the independent auditors to the members of Idex Energy UK Limited (Continued)**

### **Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 February 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

*KPMG LLP*

*4 May 2007*

**KPMG LLP**  
*Chartered Accountants*  
*Registered Auditor*

**Profit and loss account**  
*for the year ended 28 February 2007*

	<i>Note</i>	<b>2007</b> £	2006 £
<b>Turnover</b>		-	-
Administrative expenses		-	1,905
<b>Operating loss</b>	<b>2</b>	-	(1,905)
Interest receivable and similar income	3	65,086	108,684
Interest payable and similar charges	4	(194,982)	(150,240)
<b>Loss on ordinary activities before taxation</b>	<b>2</b>	(129,896)	(43,461)
Tax on loss on ordinary activities	5	19,526	30,965
<b>Retained loss for the year</b>	<b>10</b>	(149,422)	(74,426)

The operating loss for the year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

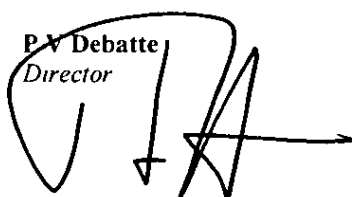
**Balance sheet**  
*at 28 February 2007*

	<i>Note</i>	<b>2007</b> <b>£</b>	<b>2006</b> <b>£</b>
<b>Fixed assets</b>			
Investments	6	3 337 007	3 337 007
<b>Current assets</b>			
Debtors	7	83 617	-
<b>Creditors</b> amounts falling due within one year	8	7 576 646	7 343 607
<b>Net current liabilities</b>		(7 493 029)	(7 343 607)
<b>Total assets less current liabilities</b>		(4 156 022)	(4 006 600)
<b>Capital and reserves</b>			
Called up share capital	9	1 782 000	1 782 000
Profit and loss account	10	(5 938 022)	(5 788 600)
<b>Shareholders' funds (deficit)</b>	11	(4 156 022)	(4 006 600)

These financial statements were approved by the board of directors on behalf by

*4 MAY* 2007 and were signed on its

P V Debatte  
Director





## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

The company is exempt by virtue of Section 228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size or group.

#### *Valuation of investments*

Investments held as fixed assets are stated at cost less any provision for impairment. Investments held as current assets are stated at the lower of cost and net realisable value.

#### *Foreign currencies*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### *Taxation*

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised on a full provision undiscounted basis on all timing differences that have originated, but not reversed at the balance sheet date, except as otherwise required by FRS 19.

#### *Going concern basis*

The accounts have been prepared on a going concern basis, as the ultimate holding companies have indicated that they will make available sufficient funds to the company to enable it to continue trading for the foreseeable future.

### 2 Loss on ordinary activities before taxation

	2007 £	2006 £
<i>Loss on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration	-	1,905
	<u>          </u>	<u>          </u>

## Notes (continued)

### 3 Other interest receivable and similar income

	2007 £	2006 £
Net exchange gains	65,086	108,684

### 4 Interest payable and similar charges

	2007 £	2006 £
Interest payable on loans from group companies	194,982	150,240

### 5 Taxation

#### Analysis of charge in year

	2007 £	2006 £
<i>UK corporation tax</i>		
Current tax on income for the year	19,526	30,965
Total current tax	19,526	30,965

#### Factors affecting the tax charge for the current year

The current tax charge for the period is higher (2006 higher) than the standard rate of corporation tax in the UK of 30% (2006 30%). The differences are explained below

	2007 £	2006 £
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(129,896)	(43,461)
Current tax at 30% (2006 30%)	(38,969)	(13,038)
<i>Effects of</i>		
Expenses not deductible for tax purposes	58,495	45,072
Losses brought forward	-	(1,069)
Current tax on income for the year	19,526	30,965
Tax on profit on ordinary activities	19,526	30,965

## Notes (continued)

### 6 Fixed asset investments

	Shares in group undertakings £
<i>Shares</i>	
<i>Cost</i>	
At beginning and end of year	550,203
	<hr/>
	Loans to group undertakings £
<i>Cost</i>	
At beginning and end of year	2,786,804
	<hr/>
<i>Net book value</i>	
At 28 February 2007	3,337,007
	<hr/>
At 28 February 2006	3,337,007
	<hr/>

The company owns 100% of the ordinary share capital of Utilicom Group Limited, an intermediate holding company incorporated in England

The following figures have been extracted from the financial statements for the year ended 28 February 2007

	Aggregate share capital and reserves 2007 £	Aggregate share capital and reserves 2006 £	Profit/(loss) for the period 2007 £	Profit/(loss) for the year 2006 £
<b>Subsidiary undertaking</b>				
Utilicom Group Limited	550,203	550,203	-	-
<b>Subsidiaries of the subsidiary undertaking</b>				
Utilicom Limited	4,083,860	3,483,261	600,599	901,202
The Southampton Geothermal Heating Company Limited	383,110	537,367	(154,257)	(90,649)
Bloomsbury Heat & Power Limited	226,771	208,379	18,392	18,330
Industrielle de Chauffage (UK) Limited	216,928	102,823	114,105	22,890
Gower Street Heat and Power Limited	1,434,514	1,341,468	93,046	73,246
Birmingham District Energy Company Limited	1	-	-	-

These financial statements present information about the company as an individual undertaking and not about its group (see accounting policies)

## Notes (continued)

### 7 Debtors

	2007 £	2006 £
Amounts due from group undertakings	83,617	-

### 8 Creditors: amounts falling due within one year

	2007 £	2006 £
Amounts owed to group undertakings	7,557,120	7,310,738
Taxation and social security	19,526	30,965
Other creditors	-	1,904
	<u>7,576,646</u>	<u>7,343,607</u>

### 9 Called up share capital

	2007 £	2006 £
<i>Authorised</i>		
2,000,000 Ordinary shares of £1 each	2,000,000	2,000,000
<i>Allotted, called up and fully paid</i>		
1,782,000 Ordinary shares of £1 each	<u>1,782,000</u>	<u>1,782,000</u>

### 10 Profit and loss account

	2007 £	2006 £
At beginning of year	(5,788,600)	(5,714,174)
Retained loss for the year	(149,422)	(74,426)
	<u>                    </u>	<u>                    </u>
At end of year	<u>(5,938,022)</u>	<u>(5,788,600)</u>

### 11 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Loss for the financial year	(149,422)	(74,426)
Opening shareholders' equity deficit	(4,006,600)	(3,932,174)
	<u>                    </u>	<u>                    </u>
Closing shareholders' equity deficit	<u>(4,156,022)</u>	<u>(4,006,600)</u>

## **Notes** *(continued)*

### **12 Contingent liabilities**

The company has guaranteed bank borrowings of its subsidiaries. At the year end the liabilities covered by these guarantees totalled £794,489 (2006 £1,283,372)

### **13 Related party transactions**

During the period, IDEX SAS, the joint parent, charged interest of £194,982 (2006 £150,240) on its loan to the company and repaid an inter-company loan due to Utilicom Limited of £400,000 which was incorporated into the loan to IDEX Energy UK Limited. At the year end the company owed £7,557,120 (2006 £7,027,225) to IDEX SAS, the movement in the year being interest charged, exchange losses and the loan repayment.

### **14 Ultimate parent company and parent undertaking of larger group of which the company is a member**

The company is jointly owned and controlled by IDEX SAS and Strasbourgeoise d'Exploitation de Chauffage SA, both of which are incorporated in France. These companies are subsidiaries of IH International SA, incorporated in Luxembourg.

The largest group in which the results of the company are consolidated is that headed by IH International SA, and accounts can be requested from 5 Rue Guillaume Kroll, L-1882, Luxembourg. The smallest group in which the results of the company are consolidated is that headed by Utilicom Group Limited, and accounts are available to the public and may be obtained from Companies House.