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**IDEX Energy UK Limited**

Report and Financial Statements

Year Ended

31 August 2002



**BDO**

BDO Stoy Hayward  
Chartered Accountants

**IDEX Energy UK Limited**

**Annual report and financial statements for the year ended 31 August 2002**

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**Directors**

A J M Planchot  
C J Maillard  
P C Bono

**Secretary and registered office**

D Pennington, Garrett House, Manor Royal, Crawley, West Sussex, RH10 2PY

**Company number**

2240219

**Auditors**

BDO Stoy Hayward, Nile House, PO Box 1034  
Nile Street, Brighton, BN1 1JB

**Report of the directors for the year ended 31 August 2002**

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The directors present their report together with the audited financial statements for the year ended 31 August 2002.

**Results**

The profit and loss account is set out on page 5 and shows the loss for the year.

**Principal activities**

During the year the company exchanged its shares in all its subsidiary undertakings for shares in a new holding company, Utilicom Group Limited. The activity of the company continues to be that of intermediate holding company.

**Directors**

The directors of the company during the year were:

A J M Planchot  
C J Maillard  
P C Bono

No director had any interest in the share capital of the company. Interests in the share capital of the parents, IDEX SA and STREC SA, are shown in the financial statements of those companies. No rights to subscribe for any shares or debentures of the group were granted or exercised during the year.

**Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which 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 year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the 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.

**IDEX Energy UK Limited**

**Report of the directors for the year ended 31 August 2002 (Continued)**

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**Auditors**

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. Therefore the auditors, BDO Stoy Hayward, will be deemed to be appointed for each succeeding year.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**On behalf of the board**

**Director**

A handwritten signature, possibly 'H', is written over a vertical line that serves as a signature line.

8 November 2002

## **IDEX Energy UK Limited**

### **Report of the independent auditors**

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#### **To the shareholders of IDEX Energy UK Limited**

We have audited the financial statements of IDEX Energy UK Limited for the year ended 31 August 2002 on pages 5 to 12 which have been prepared under the accounting policies set out on page 7.

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

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company 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 United Kingdom 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 financial statements. It also includes an assessment of the significant estimates and judgements 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.

**IDEX Energy UK Limited**

**Report of the independent auditors (*Continued*)**

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*Opinion*

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'BDO Stoy Hayward', is written over a horizontal line.

**BDO STOY HAYWARD**

*Chartered Accountants  
and Registered Auditors*  
Brighton

21 November 2002

**IDEX Energy UK Limited**

**Profit and loss account for the year ended 31 August 2002**

	Note	2002 £	2001 £
Administrative expenses		1,950	1,500
<b>Operating loss</b>	2	<b>(1,950)</b>	<b>(1,500)</b>
Interest payable and similar charges	3	(245,370)	(225,000)
<b>Loss on ordinary activities before and after taxation for the financial year</b>		<b>(247,320)</b>	<b>(226,500)</b>
Accumulated loss brought forward		(4,774,554)	(4,548,054)
<b>Accumulated loss carried forward</b>		<b>(5,021,874)</b>	<b>(4,774,554)</b>

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

There are no movements in shareholders' funds in the current and prior year apart from the loss for the year.

The notes on pages 7 to 12 form part of these financial statements.

**IDEX Energy UK Limited**

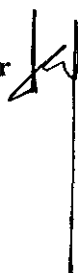
**Balance sheet at 31 August 2002**

	Note	2002 £	2002 £	2001 £	2001 £
<b>Fixed assets</b>					
Fixed asset investments	5		550,203		550,203
<b>Current assets</b>					
Debtors	6	81,312		83,112	
<b>Creditors: amounts falling due within one year</b>	7	3,871,389		3,625,869	
<b>Net current liabilities</b>			(3,790,077)		(3,542,757)
<b>Total assets less current liabilities</b>			(3,239,874)		(2,992,554)
<b>Capital and reserves</b>					
Called up share capital	8		1,782,000		1,782,000
Profit and loss account			(5,021,874)		(4,774,554)
<b>Equity shareholders' funds</b>			(3,239,874)		(2,992,554)

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 8 November 2002

Director



The notes on pages 7 to 12 form part of these financial statements.

**1 Accounting policies**

The financial statements have been prepared under the historical cost convention.

The following principal accounting policies have been applied:

*Cash flow statement*

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 1985.

*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 currency*

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

*Deferred taxation*

The company has changed its accounting policy in accordance with Financial Reporting Standard 19 Deferred Taxation. Deferred taxation is now recognised on a full provision undiscounted basis on all timing differences which have originated, but not reversed, at the balance sheet date. Timing differences represent accumulated differences between the company's taxable profit and its financial profit and arise primarily from the difference between accelerated capital allowances and depreciation.

*Group accounts*

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group financial statements as it is exempt from the requirement to do so by section 248 of the Companies Act 1985 as it is a medium-sized group.

*Going concern*

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

**2 Operating loss**

	2002 £	2001 £
This is arrived at after charging:		
Audit services	1,950	1,500
	<u>          </u>	<u>          </u>

**3 Interest payable and similar charges**

	2002 £	2001 £
Loans from group companies	162,441	152,501
Exchange losses	82,929	72,499
	<u>          </u>	<u>          </u>
	245,370	225,000
	<u>          </u>	<u>          </u>

The company's ultimate parent undertaking, IDEX SA, has declared that all balances owed by the company are to be paid in euros thus transferring the exchange risk to the company. The year end intercompany balance owed to IDEX SA has therefore been translated at the balance sheet closing rate, in accordance with SSAP 20, resulting in an exchange loss of £82,929 (2001: £72,499) being included within interest payable and similar charges.

**4 Taxation on loss on ordinary activities**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2002 £	2001 £
Loss on ordinary activities before tax	(247,320)	(226,500)
	<u>          </u>	<u>          </u>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 30% (2001 - 30%)	(74,196)	(67,950)
Effect of:		
Expenses not deductible for tax purposes	48,732	45,750
Losses surrendered as group relief	25,464	-
Losses carried back	-	22,200
	<u>          </u>	<u>          </u>
Current tax charge for period	-	-
	<u>          </u>	<u>          </u>

## 5 Fixed asset investments

	Shares in group undertakings £
<i>Cost</i>	
At 1 September 2001	1,550,202
Additions	550,203
Disposals	(1,550,202)
	<hr/>
At 31 August 2002	550,203
	<hr/>
<i>Provisions</i>	
At 1 September 2001	999,999
Disposals	(999,999)
	<hr/>
At 31 August 2002	-
	<hr/>
<i>Net book value</i>	
At 31 August 2001 and 31 August 2002	550,203
	<hr/>

*Subsidiary undertakings, associated undertakings and other investments*

The principal undertakings in which the company's interest at the year end is 20% or more are as follows:

	Class of share capital held	Proportion of share capital held
<i>Subsidiary undertakings</i>		
Utilicom Group Limited	Ordinary	100%

During the year the company exchanged its shares in all its subsidiary undertakings for shares in a new holding company, Utilicom Group Limited.

**5 Fixed asset investments (continued)**

Unless otherwise stated, the following figures have been extracted from audited financial statements for the year ended 31 August 2002:

	Aggregate share capital and reserves		Profit/(loss) for the year/period	
	2002	2001	2002	2001
	£	£	£	£
<i>Subsidiary undertakings</i>				
Utilicom Group Limited	550,203	-	-	-
<i>Subsidiaries of the subsidiary undertaking</i>				
Utilicom Limited	2,146,946	1,767,194	379,752	447,709
The Southampton Geothermal Heating Company Limited (2001 as restated)	241,209	185,200	56,009	177,409
Bloomsbury Heat and Power Limited	(88,548)	(149,063)	60,515	13,690
North Channel Energy Services Limited	248,799	168,016	80,783	107,561
Industrielle de Chauffage United Kingdom Limited	86,970	76,994	9,976	24,261
Gower Street Heat and Power Limited (from audited financial statements for the 13 months ended 30 September 2002)	857,723	101	857,622	-
Millbrook Community Heating Limited	(24,301)	(23,601)	(700)	(750)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**6 Debtors**

	2002	2001
	£	£
Amounts owed by group undertakings	81,312	83,112
	<u>          </u>	<u>          </u>

All amounts shown under debtors fall due for payment within one year.

**7 Creditors: amounts falling due within one year**

	2002	2001
	£	£
Amounts owed to group undertakings	3,869,739	3,624,369
Accruals and deferred income	1,650	1,500
	<u>          </u>	<u>          </u>
	3,871,389	3,625,869
	<u>          </u>	<u>          </u>

**8 Share capital**

	2002	Authorised 2001	Allotted, called up and fully paid	
	£	£	2002	2001
			£	£
<i>Equity share capital</i>				
Ordinary shares of £1 each	2,000,000	2,000,000	1,782,000	1,782,000

**9 Contingent liabilities**

The company has guaranteed bank borrowings of its subsidiaries. At the year end the liabilities covered by these guarantees totalled £2,994,461 (2001: £3,394,456).

**10 Related party disclosures**

During the year the company exchanged its shares in Utilicom Limited, Southampton Geothermal Heating Company Limited, Bloomsbury Heat and Power Limited, Millbrook Community Heating Limited, and Gower Street Heat and Power Limited, its subsidiary undertakings, for shares in a new holding company, Utilicom Group Limited.

During the year, IDEX SA, the joint parent, charged interest of £162,441 (2001: £152,501) on its loan to the company.

At the year end the company had the following balances with related parties:

	Amounts owed by related party	Amounts owed to related party	Amounts owed by related party	Amounts owed to related party
	2002	2002	2001	2001
	£	£	£	£
Utilicom Limited (subsidiary)	81,312	-	83,112	-
Bloomsbury Heat and Power Limited (subsidiary)	-	100	-	100
Millbrook Community Heating Limited (subsidiary)	-	2	-	2
Gower Street Heat and Power Limited (subsidiary)	-	100	-	100
IDEX SA (parent)	-	3,869,537	-	3,624,167

**11 Ultimate parent company and parent undertaking of larger group**

The company is jointly owned and controlled by IDEX SA and STREC SA, both of whom are incorporated in France.

The largest group in which the results of the company are consolidated is that headed by IDEX SA. Copies of IDEX SA group accounts can be obtained from 8 bis Rue Escudier, 92513 Boulogne - Bilancourt Cedex, France. Copies of the STREC SA group accounts are available at 2 Place Des Moulins, 67000 Strasbourg, France.

The smallest group in which the results of the company are consolidated is that headed by Utilicom Group Limited. The consolidated accounts are available to the public and may be obtained from Companies House.