

**REGISTRAR  
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# **IDEX Energy UK Limited**

## **FINANCIAL STATEMENTS**

for the year ended

31 August 2003



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# IDEX Energy UK Limited

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTORS

P C Bono  
F Brengues  
Baroness Maddock  
G M Peck  
A J M Planchot  
S Woodward

### SECRETARY

G M Peck

### REGISTERED OFFICE

Garrett House  
Manor Royal  
Crawley  
West Sussex  
RH10 2PY

### AUDITORS

Baker Tilly  
Chartered Accountants  
International House  
Queens Road  
Brighton  
East Sussex  
BN1 3XE

# IDEX Energy UK Limited

## DIRECTORS' REPORT

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The directors submit their report and financial statements of IDEX Energy UK Limited for the year ended 31 August 2003.

### PRINCIPAL ACTIVITIES

The activity of the company continues to be that of intermediate holding company.

### DIRECTORS

The directors who served the company during the year were as follows:

A J M Planchot  
C J Maillard (resigned 21 November 2003)  
P C Bono

F Brengues, Baroness Maddock, G M Peck and S Woodward were appointed as directors on 21 November 2003.

No directors had any interest in the share capital of the company. Interests in the share capital of the parents, IDEX SA and Strasbourgeoise d'Exploitation de Chauffage 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.

### SMALL COMPANY PROVISIONS

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

On behalf of the board

P C Bono

Director

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8 march 2004

# IDEX Energy UK Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 requirements of 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.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IDEX ENERGY UK LIMITED

We have audited the financial statements on pages 6 to 12.

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 auditors' 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 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

## **Basis of opinion**

We conducted our audit in accordance with 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
IDEX ENERGY UK LIMITED (continued)

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 August 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Baker Tilly*

BAKER TILLY

Registered Auditor  
Chartered Accountants  
International House  
Queens Road  
Brighton  
East Sussex  
BN1 3XE

*22nd March 2004*  
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**IDEX Energy UK Limited**  
**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 August 2003

		2003	2002
	<i>Notes</i>	£	(restated) £
TURNOVER		—	—
Administrative expenses		3,470	1,950
OPERATING LOSS	1	(3,470)	(1,950)
Interest payable	2	547,691	245,370
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(551,161)	(247,320)
Taxation	3	27,590	—
LOSS FOR THE FINANCIAL YEAR		<u>(578,751)</u>	<u>(247,320)</u>

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.

# IDEX Energy UK Limited

## BALANCE SHEET

31 August 2003

	Notes	2003 £	2002 (restated) £
<b>FIXED ASSETS</b>			
Investments	5	<u>3,337,007</u>	<u>3,097,596</u>
<b>CREDITORS</b>			
Amounts falling due within one year	6	<u>7,155,632</u>	<u>6,337,470</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(3,818,625)</u>	<u>(3,239,874)</u>
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	9	1,782,000	1,782,000
Profit and loss account	10	<u>(5,600,625)</u>	<u>(5,021,874)</u>
<b>DEFICIENCY</b>	11	<u>(3,818,625)</u>	<u>(3,239,874)</u>

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

These financial statements were approved by the directors on the 8 March 2004 and are signed on their behalf by:

P C Bono

Director





# IDEX Energy UK Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

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

### CONSOLIDATION

In the opinion of the directors, the company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

### CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

### FIXED ASSETS

All fixed assets are initially recorded at cost.

### DEFERRED TAXATION

Deferred taxation is 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 arise primarily from the difference between capital allowances and depreciation.

### FOREIGN CURRENCIES

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.

### 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.

### 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.

# IDEX Energy UK Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2003

### 1 OPERATING LOSS

Operating loss is stated after charging:

	2003	2002 (restated)
	£	£
Auditors' fees	<u>1,125</u>	<u>1,950</u>

### 2 INTEREST PAYABLE

	2003	2002 (restated)
	£	£
Interest payable on loans from group companies	180,812	162,441
Other interest payable	3,214	—
Exchange losses	<u>363,665</u>	<u>82,929</u>
	<u>547,691</u>	<u>245,370</u>

The company's 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 £363,665 (2002:£82,929) being included within interest payable and similar charges.

### 3 TAX ON LOSS ON ORDINARY ACTIVITIES

#### (a) Analysis of charge in the year

	2003	2002 (restated)
	£	£
Current tax:		
Corporation tax	—	—
Under provision in prior years	<u>27,590</u>	—
Total current tax	<u>27,590</u>	—

#### (b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2002 - 30%).

	2003	2002 (restated)
	£	£
Loss on ordinary activities before taxation	<u>(551,161)</u>	<u>(247,320)</u>
Loss on ordinary activities by rate of tax	(165,348)	(74,196)
Expenses not deductible for tax purposes	54,469	48,732
Adjustments to tax charge in respect of previous periods	27,590	—
Losses surrendered as group relief	57,110	25,464
Losses available to carry forward	<u>53,769</u>	—
Total current tax (note 3(a))	<u>27,590</u>	—

# **IDEX Energy UK Limited** **NOTES TO THE FINANCIAL STATEMENTS** **for the year ended 31 August 2003**

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## **3 TAX ON LOSS ON ORDINARY ACTIVITIES** *(continued)*

### **(c) Factors that may affect future tax charges**

The company has tax losses available to carry forward after group relief of £203,000 (2002: £nil). These have not been recognised as a deferred tax asset due to the non-trading nature of the company.

## **4 PRIOR PERIOD ADJUSTMENT**

The balance sheet for 2002 has been restated. Loans with the parent company, IDEX SA, had previously been shown directly with the UK subsidiary entities, notwithstanding the terms of a novation agreement dated 27 May 1992, which transferred the loans via this company.

The 2002 balance sheet has been restated to reflect the terms of the novation agreement, resulting in the following changes:

- fixed asset investments increasing by £2,547,393 at 31 August 2002;
- amounts owed by group undertakings reducing by £81,312;
- amounts owed to group undertakings increasing by £2,466,081.

There is no effect on the results for the current or prior periods.

## **5 INVESTMENTS**

	Investments £
Shares in group undertakings	
Cost	
At 1 September 2002 and 31 August 2003	<u>550,203</u>
Loans to group undertakings	
At 1 September 2002	2,547,393
Exchange movement in the year	<u>239,411</u>
At 31 August 2003	<u>2,786,804</u>
Net book value	
At 31 August 2003	<u>3,337,007</u>
At 31 August 2002	<u>3,097,596</u>

# IDEX Energy UK Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 August 2003

#### 5 INVESTMENTS *(continued)*

The company owns 100% of the issued share capital of Utilicom Group Limited, an intermediate holding company

Unless otherwise stated the following figures have been extracted from the audited financial statements for the year ended 31 August 2003, except for the figures for Gower Street Heat and Power Limited which have been extracted from the audited financial statements for the 11 months ended 31 August 2003 and the 13 months ended 30 September 2002:

	Aggregate share capital and reserves 2003 £	Aggregate share capital and reserves 2002 £	Profit/(loss) for the year/period 2003 £	Profit/(loss) for the year/period 2002 £
<b>SUBSIDIARY UNDERTAKING</b>				
Utilicom Group Limited	550,203	550,203	-	-
<b>SUBSIDIARIES OF THE SUBSIDIARY UNDERTAKING</b>				
Utilicom Limited	2,297,406	2,146,946	150,460	379,752
The Southampton Geothermal Heating Company Limited	377,951	241,209	136,742	56,009
Bloomsbury Heat and Power Limited	10,416	(88,548)	98,964	60,515
North Channel Energy Services Limited	312,131	248,799	63,332	80,783
Industrielle de Chauffage (UK) Limited	91,282	86,970	4,312	9,976
Gower Street Heat and Power Limited	1,101,047	857,723	243,324	857,622
Millbrook Community Heating Limited	(26,296)	(24,301)	(1,995)	(700)

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

#### 6 CREDITORS: Amounts falling due within one year

	2003 £	2002 <i>(restated)</i> £
Amounts owed to group undertakings	7,152,912	6,335,820
Other creditors	2,720	1,650
	<u>7,155,632</u>	<u>6,337,470</u>

#### 7 CONTINGENT LIABILITIES

The company has guaranteed bank borrowings of its subsidiaries. At the year end the liabilities covered by these guarantees totalled £2,505,579 (2002: £2,994,461).

#### 8 RELATED PARTY TRANSACTIONS

During the year, IDEX SA, the joint parent, charged interest of £180,812 (2002: £162,441) on its loan to the company. At the year end the company owed £6,800,818 (2002: £6,016,930) to IDEX SA, the remainder of the movement being exchange losses in the year.

**IDEX Energy UK Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2003

**9 SHARE CAPITAL**

	2003	2002 (restated)
	£	£
Authorised:		
2,000,000 Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>
	2003	2002
	£	£
Allotted, called up and fully paid:		
1,782,000 Ordinary shares of £1 each	<u>1,782,000</u>	<u>1,782,000</u>

**10 PROFIT AND LOSS ACCOUNT**

	2003	2002 (restated)
	£	£
At 1 September 2002	(5,021,874)	(4,774,554)
Accumulated loss for the financial year	<u>(578,751)</u>	<u>(247,320)</u>
At 31 August 2003	<u>(5,600,625)</u>	<u>(5,021,874)</u>

**11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2003	2002 (restated)
	£	£
Loss for the financial year	(578,751)	(247,320)
Opening shareholders' equity deficit	<u>(3,239,874)</u>	<u>(2,992,554)</u>
Closing shareholders' equity deficit	<u>(3,818,625)</u>	<u>(3,239,874)</u>

**12 ULTIMATE PARENT COMPANY AND PARENT UNDERTAKING OF LARGER GROUP**

The company is jointly owned and controlled by IDEX SA and Strasbourgeoise d'Exploitation de Chauffage SA, both of whom are incorporated in France.

The smallest and 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 Strasbourgeoise d'Exploitation de Chauffage SA group accounts are available at 2 Place Des Moulins, 67000 Strasbourg, France.