

# **AQUILA ENERGY TRADING LIMITED**

**Accounts for the Year Ended  
31 December 1999  
together with the Directors' and  
Auditors' Reports**



# **Aquila Energy Trading Limited**

**Accounts for the Year Ended 31 December 1999**

## **Officers and Professional Advisors**

### **Directors**

Keith Gerard Stamm  
Jeffrey Michnowski  
Kieron Patrick Farry  
Stephen David Gebbie  
Paul Waine

### **Secretary**

Carole Ann Colley

### **Auditors**

Arthur Andersen  
Chartered Accountants  
1 Surrey Street  
London, WC2R 2PS

### **Bankers**

Lloyds Bank plc  
St George's House  
6 - 8 Eastcheap  
London, EC3M 1AE

### **Solicitors**

Cadwalader, Wickersham & Taft  
55 Gracechurch Street  
London, EC3V 0EE

### **Registered Office**

Southside  
105 Victoria Street  
London, SW1E 6QT

### **Registered Number**

Company Registration Number: 2850031

# **Aquila Energy Trading Limited**

## **Accounts for the Year Ended 31 December 1999**

### **Directors' Report**

The Directors present their report together with the accounts and Auditors' report for the year ended 31 December 1999.

#### **1. Statement of Directors' and Auditors' Responsibilities**

##### **Directors' responsibilities**

Company law requires the Directors to prepare accounts 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 accounts, the Directors are required to:

- \* select suitable accounting policies and then apply them consistently;
- \* make judgements and estimates that are reasonable and prudent;
- \* state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- \* prepare the accounts 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 enable them to ensure that the accounts 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.

##### **Auditors' responsibilities**

Company law requires Auditors to form an independent opinion on the accounts presented by the Directors based on their audit and to report their opinion to the shareholder. The Companies Act 1985 also requires Auditors to report to the shareholder if the following requirements are not met:

- \* that the Company has maintained proper accounting records;
- \* that the accounts are in agreement with accounting records;
- \* that the Directors' emoluments and other transactions with the Directors are properly disclosed in the accounts; and
- \* that the Auditors have obtained all the information and explanations which, to the best of their knowledge and belief, are necessary for the purpose of their audit.

The Auditors' opinion does not encompass the Directors' report on pages 2 to 4. However, the Companies Act 1985 requires Auditors to report to the shareholder if the matters contained in the Directors' report are inconsistent with the accounts.

# **Aquila Energy Trading Limited**

## **Accounts for the Year Ended 31 December 1999**

### **Directors' Report (continued)**

#### **2. Name Change**

The Company changed its name from United Gas Services Limited to Aquila Energy Trading Limited on 4 May 1999.

#### **3. Principal Activity**

The principal activity of the Company is to provide, as agent, natural gas transportation services exclusively for subsidiary undertakings of UtiliCorp United Inc., the Company's ultimate parent undertaking.

#### **4. Results and Dividends**

The Company commenced to trade on an agency basis on 1 March 1996, and since that date has not recorded any profit or loss on its own account.

The Directors do not recommend the payment of a dividend in respect of the year (1998: £Nil).

#### **5. Future Developments**

The Directors intend to continue to seek suitable business opportunities.

#### **6. Directors and their Interests**

The Directors who served during the year were:

Keith Gerard Stamm (Appointed 20 December 1999)  
Jeffrey Michnowski (appointed 30 December 1999)  
Kieron Patrick Farry  
Stephen David Gebbie  
Paul Waine (appointed 10 May 1999)  
Harry Charles Stahel, Jnr (Resigned 4 June 1999)

None of the Directors had interests (including options) in the share capital of the Company required to be disclosed under Sch VII of the Companies Act 1985.

# **Aquila Energy Trading Limited**

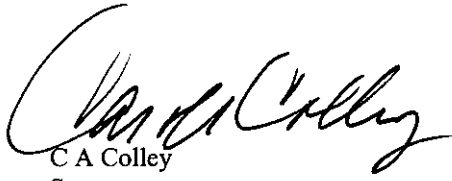
**Accounts for the Year Ended 31 December 1999**

## **Directors' Report (continued)**

### **7. Auditors**

The Directors will place a resolution before the Annual General Meeting to reappoint Arthur Andersen as Auditors for the ensuing year.

By order of the Board



C A Colley  
Secretary

Southside  
105 Victoria Street  
London, SW1E 6QT

29 December 2000

# **Aquila Energy Trading Limited**

## **Auditors' Report**

### **To the Shareholder of Aquila Energy Trading Limited:**

We have audited the accounts on pages 6 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

#### **Respective responsibilities of Directors and Auditors**

As described on page 2 the Directors of the Company are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

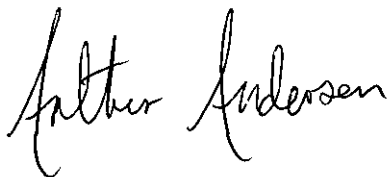
#### **Basis of opinion**

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 accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts and of whether the accounting policies are appropriate to the circumstances of the Company, 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 accounts 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 accounts.

#### **Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the Company at 31 December 1999 and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen  
Chartered Accountants and Registered Auditors  
1 Surrey Street  
London, WC2R 2PS

29 December 2000

# Aquila Energy Trading Limited

## Balance Sheet at 31 December 1999

	Note	1999 £	1998 £
<b>Current Assets</b>			
Debtors	3	2	2
Short Term Investments	4	1,000,000	1,000,000
Cash at bank and in hand		-	6,173
		<u>1,000,002</u>	<u>1,006,175</u>
<b>Creditors</b>			
Bank loans and overdrafts		(5,277)	-
Amounts falling due within one year	5	(994,723)	(1,006,173)
		<u>2</u>	<u>2</u>
<b>Net Current Assets</b>		<u>2</u>	<u>2</u>
<b>Total Assets less Current Liabilities</b>		<u>2</u>	<u>2</u>
<b>Net Assets</b>		<u>2</u>	<u>2</u>
<b>Capital and Reserves</b>			
Called up equity share capital	6	2	2
		<u>2</u>	<u>2</u>
<b>Total Equity Shareholder's Funds</b>		<u>2</u>	<u>2</u>

The Company has not traded on its own account in the year, and has incurred no income or expenditure. Accordingly, no profit and loss account has been prepared.

The accompanying notes are an integral part of this balance sheet.

On behalf of the Board



Jeffrey Michnowski  
Director

29 December 2000

# Aquila Energy Trading Limited

## Accounts for the Year Ended 31 December 1999

### Notes to the Accounts

#### 1. Accounting Policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, and the preceding year, is set out below.

##### Accounting convention

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

##### Cash Flow

The Company is exempt from the obligation to present a cash flow statement in accordance with Financial Reporting Standard No. 1 (Revised) "Cash Flow Statements", since it is a wholly owned subsidiary undertaking within a group in which a parent company will present the required cash flow statement and whose accounts are available to the public (Note 7).

#### 2. Directors' and Employees' Remuneration

The Directors did not receive any remuneration in respect of their services as Directors of Aquila Energy Trading Limited during the year or the preceding year.

The Company had no employees during the year nor the preceding year.

#### 3. Debtors

	1999 £	1998 £
Due from parent undertaking	2	2
	<hr/>	<hr/>
	2	2
	<hr/>	<hr/>

#### 4. Short Term Investments

The Company has placed £1million in escrow in respect of certain agency obligations with a third party. The amount cannot be called upon without the consent of that third party.

#### 5. Creditors: Amounts Falling Due Within One Year

	1999 £	1998 £
Due to group undertakings	994,723	1,006,173
	<hr/>	<hr/>
	994,723	1,006,173
	<hr/>	<hr/>

# Aquila Energy Trading Limited

## Accounts for the Year Ended 31 December 1999

### Notes to the Accounts (continued)

#### 6. Called-up Share Capital

	1999 £	1998 £
Authorised Number		
1,000 Ordinary shares of £1 each	1,000	1,000
	<hr/> 1,000 <hr/>	<hr/> 1,000 <hr/>
Issued and fully paid Number	1999 £	1998 £
2 Ordinary shares of £1 each	2	2
	<hr/> 2 <hr/>	<hr/> 2 <hr/>

#### 7. Ultimate Parent Company

Aquila Energy Trading Limited is a wholly-owned subsidiary undertaking of Aquila Energy U.K. Holdings Limited which is registered in England and Wales.

The largest group in which the results of Aquila Energy Trading Limited are consolidated is that headed by UtiliCorp United Inc., which is incorporated in the State of Delaware in the United States of America and whose principal place of business is:

UtiliCorp United Inc.  
20 West Ninth Street  
Kansas City, Missouri 64105  
United States of America

The smallest group in which they are consolidated is headed by Aquila Energy U.K. Holdings Limited, a company registered in England and Wales and whose principal place of business is:

Southside  
105 Victoria Street  
London, SW1E 6QT

The consolidated accounts of these groups are available to the public and may be obtained from:

The Secretary  
Aquila Energy U.K. Holdings Limited  
Southside  
105 Victoria Street  
London, SW1E 6QT