

**CHN ELECTRICAL SERVICES LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**for the 15 month period ended 31 December 2008**



**Registered No: 2980221**

## **CHN ELECTRICAL SERVICES LIMITED**

### **Report of the directors for the 15 month period ended 31 December 2008**

The directors present their report and the audited financial statements of the Company for the period ended 31 December 2008.

#### **Principal activities**

The Company's principal activity during the period and at the period end was as an electrical contractor.

On 15 January 2008, the Company changed its accounting reference date from 30 September to 31 December.

#### **Business review**

##### Fair review of the Company's business

Both the level of business during the period and the financial position of the Company at the period end were satisfactory. The directors believe that the present level of activity will be sustained in the current year.

On 15 January 2008, the Company's immediate parent, CHN Group Ltd, was acquired by E.ON UK Energy Services Limited.

##### Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the Company are considered to relate to competition and the general economic environment. The management of risks is undertaken at E.ON UK plc consolidated ('group') level. Further discussion of these risks and uncertainties, in the context of the group as a whole, is provided within the financial review section of the group's annual report which does not form part of this report.

##### Key performance indicators ('KPIs')

The directors of E.ON UK plc manage the group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Energy Services division of E.ON UK plc, which includes the Company, is discussed within the financial review section of the group's annual report which does not form part of this report.

#### **Prior year adjustments**

Following the acquisition of the Company's parent by E.ON UK Energy Services Limited, the directors became aware of a material error in previously disclosed financial information. Turnover and trade receivables for the years ended 30 September 2007 and 30 September 2006 were overstated.

## **CHN ELECTRICAL SERVICES LIMITED**

### **Report of the directors for the 15 month period ended 31 December 2008** **(continued)**

#### **Prior year adjustments (continued)**

The impact of adjusting for these errors was to decrease 2007 turnover by £105,844 (2006: £212,349) and to decrease the corporation tax expense by £31,747 (2006: £63,711), with a corresponding decrease in reserves at 30 September 2007 of £222,735 (2006: £148,638), a decrease in trade debtors of £318,193 (2006: £212,349) and a decrease in corporation tax payable of £95,458 (2006: £63,711).

Following the acquisition of the Company's parent by E.ON UK Energy Services Limited, the directors have applied UK Generally Accepted Accounting Practice in place of the previously applicable special provisions relating to small companies under Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities.

The sole change as a result of adopting UK GAAP relates to the inclusion of deferred tax figures in accordance with Financial Reporting Standard 19 'Deferred tax' (Note 1(b)). The impact of this adjustment was to recognise a deferred tax provision of £77 at 30 September 2007 and increase the net tax charge for the year ended 30 September 2007 by £77, with a corresponding decrease in reserves at 30 September 2007.

#### **Results and dividends**

The Company's profit for the financial period is £679,463 (2007 as restated: £3,140). The directors do not recommend the payment of a dividend.

#### **Directors**

The directors who held office during the period and subsequent to the period end are given below:

Mr D A Leiper	(appointed 15 January 2008)
Mr C Goulton	(appointed 12 September 2008)
Mr I L Cole	(resigned 15 January 2008)
Mr R G Nicholls	(resigned 15 January 2008)
Mr R M Hopkins	(resigned 15 January 2008)
Mr C D Sly	(resigned 15 January 2008)
Mr D S Cole	(resigned 15 January 2008)
Mr N R Carr	(appointed 15 January 2008, resigned 12 September 2008)

#### **Statement of directors' responsibilities**

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

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

## **CHN ELECTRICAL SERVICES LIMITED**

### **Report of the directors for the 15 month period ended 31 December 2008** **(continued)**

#### **Statement of directors' responsibilities (continued)**

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) State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- d) Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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 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.

#### **Auditors and disclosure of information to auditors**

So far as each of the directors are aware, there is no relevant audit information of which the Company's auditors are unaware and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **Auditors**

PricewaterhouseCoopers LLP were appointed auditors of the Company on 10 December 2008. On 9 February 1996, the Company passed an elective resolution dispensing with the requirement to appoint auditors annually. Therefore, PricewaterhouseCoopers LLP will continue in office.

BY ORDER OF THE BOARD



Carl Goulton  
Director  
CHN Electrical Services Limited  
Westwood Way  
Westwood Business Park  
Coventry  
CV4 8LG

29 October 2009

## **Independent auditor's report to the members of CHN Electrical Services Limited**

We have audited the financial statements of CHN Electrical Services Limited for the period ended 31 December 2008 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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**

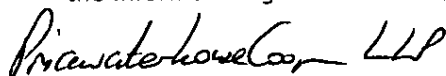
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of its profit for the period 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.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London  
30 October 2009

**CHN ELECTRICAL SERVICES LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2008**

		<b>Period ended 31 December 2008</b>	<b>Year ended 30 September 2007 (as restated)</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	2	<b>12,007,714</b>	5,597,847
Cost of sales		<b>(10,155,341)</b>	(5,008,846)
<b>Gross profit</b>		<b>1,852,373</b>	589,001
Administrative expenses		<b>(897,285)</b>	(592,907)
<b>Operating profit/(loss)</b>	3	<b>955,088</b>	(3,906)
Interest receivable and similar income	5	-	4,519
Interest payable and similar charges	6	<b>(200)</b>	-
<b>Profit on ordinary activities before taxation</b>		<b>954,888</b>	613
Tax on profit on ordinary activities	7	<b>(275,425)</b>	2,527
<b>Profit for the financial period</b>		<b>679,463</b>	3,140

There are no material differences between the profit on ordinary activities before taxation and the retained profit for either of the periods stated above and their historical cost equivalents.

All the above amounts relate to continuing operations.

The accounting policies and the notes on pages 8 to 17 form part of these financial statements.

**CHN ELECTRICAL SERVICES LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 2008**

		<b>Period ended 31 December 2008</b>	Year ended 30 September 2007 (as restated)
	Note	£	£
Profit for the financial period		<b>679,463</b>	3,140
Total recognised gains and losses relating to the period		<b>679,463</b>	3,140
Prior year adjustment	1(b)	<b>(222,812)</b>	
<b>Total gains recognised since last financial statements</b>		<b>456,651</b>	

The accounting policies and the notes on pages 8 to 17 form part of these financial statements.

**CHN ELECTRICAL SERVICES LIMITED**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2008**

	Note	At 31 December 2008 £	At 30 September 2007 (as restated) £
<b>Fixed assets</b>			
Tangible assets	8	<u>133,358</u>	<u>1,695</u>
<b>Current assets</b>			
Stock	9	<u>105,346</u>	<u>30,456</u>
Debtors: amounts falling due within one year	10	<u>2,060,812</u>	<u>1,261,389</u>
Cash at bank and in hand		<u>418,791</u>	<u>50,000</u>
		<u>2,584,949</u>	<u>1,341,845</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(2,097,236)</u>	<u>(1,411,337)</u>
<b>Net current assets/(liabilities)</b>		<u>487,713</u>	<u>(69,492)</u>
<b>Total assets less current liabilities</b>		<u>621,071</u>	<u>(67,797)</u>
<b>Deferred tax</b>	12	<u>(9,482)</u>	<u>(77)</u>
<b>Net assets/(liabilities)</b>		<u>611,589</u>	<u>(67,874)</u>
<b>Capital and reserves</b>			
Called-up share capital	13	<u>1,000</u>	<u>1,000</u>
Profit and loss reserve	14	<u>610,589</u>	<u>(68,874)</u>
<b>Total shareholders' funds/(deficit)</b>	15	<u>611,589</u>	<u>(67,874)</u>

The financial statements on pages 5 to 17 were approved by the Board of Directors on 29 October 2009 and were signed on its behalf by:



Carl Goulton  
Director

29 October 2009

The accounting policies and the notes on pages 8 to 17 form part of these financial statements.



# CHN ELECTRICAL SERVICES LIMITED

## Notes to the financial statements for the period ended 31 December 2008

### **1 Accounting policies**

The principal accounting policies are set out below.

#### **(a) Adoption of UK GAAP**

These financial statements are prepared on the going concern basis, under the historical cost convention, in accordance with the Companies Act 1985 and applicable United Kingdom accounting standards, all of which have been consistently applied.

The financial statements for the year ended 30 September 2007 were prepared in accordance with the special provisions relating to small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities. The small company exemptions are no longer relevant following the acquisition of its immediate parent by E.ON UK Energy Services Limited. The sole change as a result of adopting UK GAAP relates to the inclusion of deferred tax figures in accordance with Financial Reporting Standard 19 'Deferred tax' (note 1(b)).

#### **(b) Prior year adjustments**

As a result of the above change from applying the special provisions relating to small companies to applicable United Kingdom accounting standards, the prior year figures have been restated. The sole change as a result of adopting UK GAAP relates to the inclusion of deferred tax figures in accordance with Financial Reporting Standard 19 'Deferred tax' (note 1(g)). The impact of this adjustment was to recognise a deferred tax provision of £77 at 30 September 2007 and increase the net tax charge for the year ended 30 September 2007 by £77, with a corresponding decrease in reserves at 30 September 2007.

Following the acquisition of the Company by E.ON UK plc, the directors became aware of a material error in previously disclosed financial information. Turnover and trade receivables for the years ended 30 September 2007 and 30 September 2006 were overstated.

The impact of adjusting for these errors was to decrease 2007 turnover by £105,844 (2006: £212,349) and to decrease the corporation tax expense by £31,747 (2006: £63,711), with a corresponding decrease in reserves at 30 September 2007 of £222,735 (2006: £148,638), a decrease in trade debtors of £318,193 (2006: £212,349) and a decrease in corporation tax payable of £95,458 (2006: £63,711).

#### **(c) Tangible fixed assets**

Tangible fixed assets are stated at their purchase or production cost less accumulated depreciation. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight-line basis over their useful economic lives. The estimated useful economic lives used for the principal categories of fixed assets are as follows:

Plant and machinery	2 years
Fixtures, fittings & equipment	2 - 3 years

# **CHN ELECTRICAL SERVICES LIMITED**

## **Notes to the financial statements** **for the period ended 31 December 2008 (continued)**

### **1 Accounting policies (continued)**

#### **(d) Operating leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

#### **(e) Stock**

Stocks are stated at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow moving or defective stocks. In general, stocks are recognised in the profit and loss account on a weighted average cost basis. The Companies Act 1985 requires stocks to be categorised between raw materials, work in progress and finished goods. Stocks are raw materials under this definition.

#### **(f) Pension costs**

The Company contributes to various defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in independently administered funds. The related pension cost charge represents contributions payable by the Company to the fund.

#### **(g) Taxation**

The tax charge for the period is based on the profits or losses on ordinary activities for the period and takes into account full provision for deferred tax in respect of timing differences on a discounted basis, using the approach set out in Financial Reporting Standard 19 'Deferred tax'. Timing differences arise primarily from the differing treatment for taxation and accounting purposes of depreciation of fixed assets. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the periods which the timing differences are expected to reverse, based on tax laws that have been enacted or substantially enacted by the balance sheet date.

#### **(h) Turnover**

Turnover comprises revenue from contracted electrical work completed in the period. Turnover excludes Value Added Tax. Turnover is recognised when the contracted works have been carried out.

# CHN ELECTRICAL SERVICES LIMITED

## Notes to the financial statements for the period ended 31 December 2008 (continued)

### **1 Accounting policies (continued)**

#### **(i) Cash flow statement**

The Company is a wholly-owned subsidiary undertaking of E.ON AG, the ultimate parent undertaking of the E.ON Group, and is included in the publicly available consolidated financial statements of E.ON AG. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

#### **(j) Related party transactions**

The Company is exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with E.ON AG, its subsidiaries and associates (together "the E.ON Group") or investees of the E.ON Group.

### **2 Turnover**

Turnover, which excludes Value Added Tax, represents the value of goods and services provided, during the period. The majority of the Company's turnover, all of which arises in the course of the Company's principal activity, arises in the United Kingdom.

### **3 Operating profit/(loss)**

Operating profit/(loss) is stated after charging:

	<b>Period ended 31 December 2008 £</b>	<b>Year ended 30 September 2007 £</b>
Depreciation of tangible fixed assets:		
Owned assets	<b>167</b>	492
Operating lease charges:		
Plant and machinery	<b>37,497</b>	12,796
Other	<b>200,277</b>	94,651
Auditors' remuneration:		
Audit services	<b>12,000</b>	1,200
Non-audit services	<b>-</b>	-

The directors received no emoluments from the Company during the period (2007: none).

# **CHN ELECTRICAL SERVICES LIMITED**

## **Notes to the financial statements** **for the period ended 31 December 2008 (continued)**

### **4 Employee information**

The average monthly number of persons (including executive directors) employed by the Company during the period was:

<b>By activity</b>	<b>Period ended 31 December 2008</b>	<b>Year ended 30 September 2007</b>
Production	<b>125</b>	56
Administration	<b>13</b>	12
	<b>138</b>	68

The salaries and related costs of employees, including directors, were:

	<b>Period ended 31 December 2008 £</b>	<b>Year ended 30 September 2007 £</b>
Wages and salaries	<b>4,051,843</b>	1,589,582
Social security costs	<b>401,517</b>	159,998
Other pension costs	<b>24,250</b>	4,218
	<b>4,477,610</b>	1,753,798

### **5 Interest receivable and similar income**

	<b>Period ended 31 December 2008 £</b>	<b>Year ended 30 September 2007 £</b>
Other interest receivable	<b>-</b>	4,519

### **6 Interest payable and similar charges**

	<b>Period ended 31 December 2008 £</b>	<b>Year ended 30 September 2007 £</b>
Interest payable on bank loans and overdrafts	<b>200</b>	-

# CHN ELECTRICAL SERVICES LIMITED

## Notes to the financial statements for the period ended 31 December 2008 (continued)

### 7 Tax on profit on ordinary activities

	Period ended 31 December 2008 £	Year ended 30 September 2007 £ (as restated)
<b>Current tax:</b>		
UK corporation tax on profits for the period	266,020	(2,610)
Total current tax charge/(credit)	266,020	(2,610)
<b>Deferred tax:</b>		
Origination and reversal of timing differences	9,480	85
Changes in tax laws and rates	-	(5)
Unwinding of deferred tax	(75)	3
Total deferred tax	9,405	83
<b>Tax on profit on ordinary activities</b>	<b>275,425</b>	<b>(2,527)</b>

The difference between the tax on the profit on ordinary activities for the period and the tax assessed on the profit on ordinary activities for the period assessed at the effective rate of corporation tax for the period in the UK (28.8%) can be explained as follows:

	Period ended 31 December 2008 £	Year ended 30 September 2007 (as restated) £
Profit on ordinary activities before tax	954,888	613
Tax on profit on ordinary activities before tax at 28.8% (2007: 30%)	275,008	184
<i>Effects of:</i>		
Depreciation in excess of capital allowances	(9,751)	(85)
Expenses not deductible for tax purposes	763	981
Difference in tax rate	-	(3,690)
<b>Current tax charge/(credit) for the period</b>	<b>266,020</b>	<b>(2,610)</b>

The standard rate of corporation tax in the UK changed from 30% to 28% with effect from 1 April 2008. Accordingly, the Company's profits are taxed at an effective rate of 28.8% and will be taxed at 28% in the future.

# **CHN ELECTRICAL SERVICES LIMITED**

## **Notes to the financial statements** **for the period ended 31 December 2008 (continued)**

### **7 Tax on profit on ordinary activities (continued)**

The corporation tax payable for the period has been reduced by £266,020 because of group relief received from a fellow group undertaking for which a payment will be made (2007: £2,610 received). Accordingly no tax losses are available for carry forward.

### **8 Tangible fixed assets**

	<b>Plant and Machinery £</b>	<b>Fixtures and Fittings £</b>	<b>Total £</b>
<b>Cost:</b>			
At 1 October 2007	5,200	7,230	12,430
Additions	133,358	-	133,358
Disposals	-	(7,230)	(7,230)
<b>At 31 December 2008</b>	<b>138,558</b>	<b>-</b>	<b>138,558</b>
<b>Accumulated Depreciation:</b>			
At 1 October 2007	5,200	5,535	10,735
Charge for period	-	167	167
Disposals	-	(5,702)	(5,702)
<b>At 31 December 2008</b>	<b>5,200</b>	<b>-</b>	<b>5,200</b>
<b>Net Book Value</b>			
<b>At 31 December 2008</b>	<b>133,358</b>	<b>-</b>	<b>133,358</b>
At 30 September 2007	-	1,695	1,695

### **9 Stocks**

	<b>At 31 December 2008 £</b>	<b>At 30 September 2007 £</b>
Raw material and consumables	<b>105,346</b>	<b>30,456</b>

# CHN ELECTRICAL SERVICES LIMITED

## Notes to the financial statements for the period ended 31 December 2008 (continued)

### 10 Debtors: amounts falling due within one year

	At 31 December 2008 £	At 30 September 2007 (as restated) £
Trade debtors	1,071,991	1,178,669
Amounts owed by group undertakings	721,559	66,315
Corporation tax	29,143	-
Other debtors	236,530	3,393
Prepayments and accrued income	1,589	13,012
	<u>2,060,812</u>	<u>1,261,389</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

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

	At 31 December 2008 £	At 30 September 2007 (as restated) £
Bank loans and overdrafts	-	109,885
Trade creditors	781,829	427,448
Amounts owed to group undertakings	976,389	463,382
Other taxation and social security	136,451	248,268
Other creditors	54,224	161,454
Accruals and deferred income	148,343	900
	<u>2,097,236</u>	<u>1,411,337</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

The bank overdraft is secured by cross guarantees and debentures between the Company, CHN Special Projects Limited, CHN Contractors Limited, CHN Group Ltd, Industry Development Services Limited and CHN Gas Service and Maintenance Limited. The bank overdraft bears interest at base rate plus a margin of 2% and is repayable on demand.

# CHN ELECTRICAL SERVICES LIMITED

## Notes to the financial statements for the period ended 31 December 2008 (continued)

### 12 Deferred tax

The deferred tax provision comprises:

	At 31 December 2008 £	At 30 September 2007 (as restated) £
Accelerated capital allowances	9,554	74
Undiscounted provision for deferred tax	9,554	74
Discount	(72)	3
<b>Discounted provision for deferred tax</b>	<b>9,482</b>	<b>77</b>

The opening and closing deferred tax positions can be reconciled as follows:

	£
Deferred tax provision at 1 October 2007 (as restated)	77
Deferred tax charge to profit and loss account (Note 7)	9,405
<b>Deferred tax provision at 31 December 2008</b>	<b>9,482</b>

At 31 December 2008, deferred tax balances were measured at the standard rate of corporation tax in the UK of 28% as this is the rate that will apply when these timing differences reverse. During the period, the rate at which capital allowances are given on plant reduced from 25% to 20%.

During the year ended 30 September 2007, as a result of the change in UK corporation tax rates which were effective from 1 April 2008, deferred tax balances were remeasured. Deferred tax relating to timing differences which were expected to reverse prior to 1 April 2008 were measured at 30% and deferred tax relating to timing differences expected to reverse after 1 April 2008 were measured at the tax rate of 28% as these are the rates that will apply on reversal. This resulted in an additional credit to the profit and loss account of £5.

### 13 Called-up share capital

	At 31 December 2008 £	At 30 September 2007 £
<b>Authorised</b>		
10,000 ordinary shares of £1 each	10,000	10,000
<b>Allotted, called-up and fully paid</b>		
1,000 ordinary shares of £1 each	1,000	1,000



# CHN ELECTRICAL SERVICES LIMITED

## Notes to the financial statements for the period ended 31 December 2008 (continued)

### 14 Reserves

	Profit and loss reserve £
At 1 October 2007 (as previously stated)	153,938
Prior year adjustment (note 1(b))	(222,812)
At 1 October 2007 (as restated)	(68,874)
Profit for the financial period	679,463
<b>At 31 December 2008</b>	<b>610,589</b>

### 15 Reconciliation of movements in shareholders' funds

	Period ended 31 December 2008 £	Year ended 30 September 2007 £
Profit for the financial period (as previously stated)	679,463	77,314
Prior year adjustment (note 1(b))	-	(74,174)
Profit for the financial period (as restated)	679,463	3,140
Opening shareholders' funds (as previously stated)	154,938	77,624
Prior year adjustment (note 1(b))	(222,812)	(148,638)
Opening shareholders' deficit (as restated)	(67,874)	(71,014)
Closing shareholders' funds/(deficit)	611,589	(67,874)

### 16 Pension commitments

The Company contributes to various defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in independently administered funds. The related pension cost charge represents contributions payable by the Company to the fund.

The cost of contributions to the schemes amounts to £24,250 (2007: £4,218). No amounts are included within amounts owed to group undertakings being the outstanding contributions to the scheme in both periods under report.

## CHN ELECTRICAL SERVICES LIMITED

### Notes to the financial statements for the period ended 31 December 2008 (continued)

#### 17 Financial commitments

The Company had annual commitments under non-cancellable operating leases in respect of motor vehicles expiring as follows:

	At 31 December 2008 £	At 30 September 2007 £
within one year	21,699	25,003
within two to five years	160,558	39,450
	<u>182,257</u>	<u>64,453</u>

#### 18 Ultimate parent undertaking and controlling party

The immediate parent undertaking is CHN Group Ltd. The ultimate parent undertaking and controlling party is E.ON AG, a company incorporated in Germany, which is the parent company of the largest group to consolidate these financial statements. The smallest group to consolidate these financial statements is that of which E.ON UK plc, the principal UK trading subsidiary of E.ON AG, is the parent undertaking. Copies of E.ON AG's accounts are available from the offices of E.ON AG at the following address:

E.ON AG  
E.ON-Platz 1  
D-40479  
Düsseldorf  
Germany