

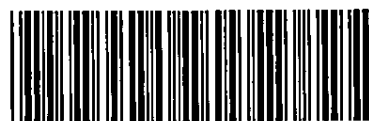
**Industrielle de Chauffage Enterprise
United Kingdom Limited**

Directors' report and financial
statements

Registered number 3463584

For the year ended
29 February 2008

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 29 February 2008

Principal activities

The principal activity of the company during the year continued to be that of design engineers

Results and dividends

The trading results for the year, and the 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

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.

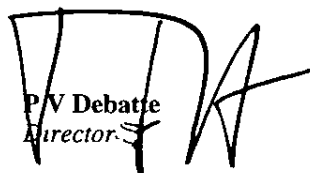
Auditors

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.

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.

By order of the board


P V Debatte
Director

Garrett House
Manor Royal
Crawley
West Sussex
RH10 2PY

3 July 2008

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 the directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

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, 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.

Under applicable law the directors are also responsible for preparing a Directors' Report that complies with that law.



KPMG LLP

1 Forest Gate
Brighton Road
Crawley
RH11 9PT
United Kingdom

Independent auditors' report to the members of Industrielle de Chauffage Enterprise United Kingdom Limited

We have audited the financial statements of Industrielle de Chauffage Enterprise United Kingdom Limited for the year ended 29 February 2008 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 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.

**Independent auditors' report to the members of Industrielle de Chauffage
Enterprise United Kingdom 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 29 February 2008 and of its profit 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

3 July 2008

KPMG LLP

Chartered Accountants

Registered Auditor

Profit and loss account
for the year ended 29 February 2008

	<i>Note</i>	2008 £	2007 £
Turnover	<i>1</i>	396,957	821,185
Cost of sales		226,003	523,532
Gross profit		170,954	297,653
Administrative expenses		159,767	133,712
Operating profit		11,187	163,941
Interest receivable and similar income	<i>3</i>	12,134	511
Profit on ordinary activities before taxation	<i>2</i>	23,321	164,452
Tax on profit on ordinary activities	<i>4</i>	7,670	50,347
Retained profit or the period	<i>10</i>	15,651	114,105

Turnover and operating profit 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

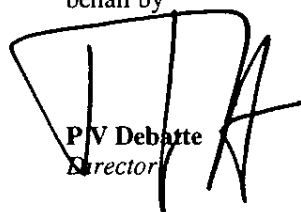
Balance sheet

At 29 February 2008

	Note	£	2008 £	£	2007 £
Fixed assets					
Tangible assets	5		1,717		2,575
Current assets					
Debtors	6	36,612		45,450	
Cash at bank and in hand		234,784		364,897	
		271,396		410,347	
Creditors: amounts falling due within one year	7	40,534		195,994	
Net current assets			230,862		214,353
Total assets less current liabilities			232,579		216,928
Capital and reserves					
Called up share capital	9		100		100
Profit and loss account	10		232,479		216,828
Shareholders' funds	11		232,579		216,928

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 board of directors on 3 July 2008 and were signed on its behalf by


 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

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

Long-term contracts

Long-term contracts are assessed on a contract by contract basis and are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Where the outcome of each long-term contract can be assessed with reasonable certainty before its conclusion, the attributable profit is recognised in the profit and loss account as the difference between the reported turnover and related costs for that contract

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Office equipment - 33% per annum straight line and reducing balance

Operating Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

Pension costs

The company is a member of a group defined contribution scheme operated by Utilicom Limited, the immediate parent, for the benefit of certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the fund

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

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

Notes (continued)

2 Profit on ordinary activities before taxation

	2008 £	2007 £
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Auditors' remuneration Audit of these financial statements	4,261	4,194
Depreciation and other amounts written off tangible fixed assets Owned	858	1,286
Operating lease costs Vehicles	23,510	30,435
	<u>28,629</u>	<u>35,915</u>

3 Interest receivable and similar income

	2008 £	2007 £
Bank interest receivable	12,134	511
	<u>12,134</u>	<u>511</u>

4 Tax on profit on ordinary activities

Analysis of charge in year

	2008 £	2007 £
<i>UK corporation tax</i>		
Current tax on income for the year	7,670	50,347
	<u>7,670</u>	<u>50,347</u>

Factors affecting the tax charge for the current year

The current tax charge for the period is higher (2007 higher) than the standard rate of corporation tax in the UK of 30%, (2007 30%) The differences are explained below

	2008 £	2007 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	23,321	164,452
Current tax at 30% (2007 30%)	6,996	49,336
<i>Effects of</i>		
Expenses not deductible for tax purposes	628	907
Depreciation in excess of capital allowances	46	104
Tax on profit on ordinary activities	<u>7,670</u>	<u>50,347</u>

Notes (continued)

5 Tangible fixed assets

	Office equipment £
<i>Cost</i>	
At beginning and end of year	27,916
	<hr/>
<i>Depreciation</i>	
At beginning of year	25,341
Charge for year	858
	<hr/>
At end of year	26,199
	<hr/>
<i>Net book value</i>	
At 29 February 2008	1,717
	<hr/>
At 28 February 2007	2,575
	<hr/>

6 Debtors

	2008 £	2007 £
Trade debtors	17,475	17,475
Amounts owed by group undertakings	12,431	11,057
Amounts recoverable on long term contracts	-	14,900
Other debtors	6,706	2,018
	<hr/>	<hr/>
	36,612	45,450
	<hr/>	<hr/>

7 Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	1,710	2,868
Amounts owed to group undertakings	28,091	133,037
Taxation and social security	7,670	50,347
Accruals and deferred income	3,063	9,742
	<hr/>	<hr/>
	40,534	195,994
	<hr/>	<hr/>

Notes (continued)

8 Pensions

The pension charge for the year amounted to £965 (2007 £3,116)

There were no outstanding or prepaid contributions at either the beginning or end of the financial year

9 Called up share capital

	2008 £	2007 £
<i>Authorised</i>		
1,000 Ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>

10 Profit and loss account

	2008 £	2007 £
At beginning of year	216,828	102,723
Retained profit for the year	15,651	114,105
	<hr/>	<hr/>
At end of year	232,479	216,828
	<hr/>	<hr/>

11 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit for the financial year	15,651	114,105
Opening shareholders' funds	216,928	102,823
	<hr/>	<hr/>
Closing shareholders' funds	232,579	216,928
	<hr/>	<hr/>

12 Contingent liabilities

The company had a contingent liability at the balance sheet date in respect of Value Added Tax due to HM Customs and Excise by fellow group undertakings as a result of group registration for Value Added Tax purposes, the liability amounting to £323,874 (2007 £95,778)

13 Related party transactions

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8

Notes (continued)

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 SAS, 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.