

**REGISTRAR  
COPY**

**Utilicom Limited**  
**FINANCIAL STATEMENTS**  
for the year ended  
31 August 2003



# Utilicom Limited

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTORS

P C Bono  
F Brengues  
Baroness Maddock  
G M Peck  
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

# Utilicom Limited

## DIRECTORS' REPORT

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

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year continued to be that of provision of heating and energy services.

### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company had a successful year and is looking forward to a successful 2003/4.

### RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

### DIRECTORS

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

A J M Planchot (resigned 22 November 2003)

C J Maillard (resigned 21 November 2003)

P C Bono

Baroness Maddock

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

No director had any beneficial interests in the shares 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 shares or debentures of the group were granted or exercised during the year.

### DONATIONS

During the year the company made the following contributions:

	2003	2002
	£	£
Charitable	<u>2,130</u>	<u>77</u>

On behalf of the board

P C Bono  
Director

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8 March 2004

# Utilicom 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 UTILICOM LIMITED (continued)

We have audited the financial statements on pages 5 to 14.

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.

## **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 profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BAKER TILLY

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

22nd March 2004

# Utilicom Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 August 2003

	Notes	2003 £	2002 £
TURNOVER	1	3,613,284	3,738,956
Cost of sales		2,619,145	2,801,421
Gross profit		994,139	937,535
Administrative expenses		1,128,878	806,027
Other operating income	2	(290,982)	(233,204)
OPERATING PROFIT	3	156,243	364,712
Interest receivable		308	21,601
Interest payable	6	(1,743)	(566)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		154,808	385,747
Taxation	7	4,348	5,995
RETAINED PROFIT FOR THE FINANCIAL YEAR		150,460	379,752

The 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.

# Utilicom Limited

## BALANCE SHEET

31 August 2003

	Notes	2003 £	2002 £
<b>FIXED ASSETS</b>			
Intangible assets	8	332	665
Tangible assets	9	136,383	129,150
Investments	10	94	94
		<u>136,809</u>	<u>129,909</u>
<b>CURRENT ASSETS</b>			
Stocks	11	10,985	11,682
Debtors	12	3,111,773	2,435,460
Cash at bank and in hand		62,329	175,473
		<u>3,185,087</u>	<u>2,622,615</u>
<b>CREDITORS</b>			
Amounts falling due within one year	13	1,024,490	605,578
<b>NET CURRENT ASSETS</b>		<u>2,160,597</u>	<u>2,017,037</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,297,406</u>	<u>2,146,946</u>
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	17	550,000	550,000
Other reserves	18	1,508,705	1,508,705
Profit and loss account	18	238,701	88,241
<b>SHAREHOLDERS' FUNDS</b>		<u>2,297,406</u>	<u>2,146,946</u>

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

P C Bono  
Director



# Utilicom 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 over 90% owned and its parent publishes a consolidated cash flow statement.

### TURNOVER

The turnover shown in the profit and loss account represents amounts receivable for goods and services net of VAT and trade discounts.

### VALUATION OF INVESTMENTS

Investments held as fixed assets are stated at cost less any provision for impairment.

### AMORTISATION

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - 3 years

### FIXED ASSETS

All fixed assets are initially recorded at cost.

### DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	- 15% reducing balance
Fixtures & Fittings	- 15% reducing balance
Motor Vehicles	- 25% reducing balance
Office Equipment	- 33.3% reducing balance and straight line

### STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

### WORK IN PROGRESS

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

# Utilicom Limited

## ACCOUNTING POLICIES

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### LEASED ASSETS

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

### PENSION COSTS

The company is a member of a group defined contribution scheme operated 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.

### DEFERRED TAXATION

Deferred taxation is recognised on a full provision undiscounted basis on all timing differences that 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.

### 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.

# Utilicom Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2003

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### 1 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2003	2002
	£	£
United Kingdom	<u>3,613,284</u>	<u>3,738,956</u>

### 2 OTHER OPERATING INCOME

	2003	2002
	£	£
Management charges receivable	<u>290,982</u>	<u>233,204</u>

### 3 OPERATING PROFIT

Operating profit is stated after charging:

	2003	2002
	£	£
Amortisation	333	333
Depreciation of owned fixed assets	36,501	30,570
Auditors' remuneration		
- as auditors	5,080	6,440
Operating lease costs:		
Land and buildings	50,106	44,665
Plant and equipment	78,696	82,123
Vehicles	<u>49,737</u>	<u>30,570</u>

### 4 PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2003	2002
	No	No
Operations and administrative staff	<u>47</u>	<u>43</u>

The aggregate payroll costs of the above were:

	2003	2002
	£	£
Wages and salaries	1,368,419	1,171,162
Social security costs	133,347	109,096
Other pension costs	28,727	31,673
	<u>1,530,493</u>	<u>1,311,931</u>

# Utilicom Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2003

### 5 DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2003 £	2002 £
Emoluments receivable	<u>10,000</u>	<u>10,000</u>

### 6 INTEREST PAYABLE

	2003 £	2002 £
Interest payable on bank borrowing	431	566
Other similar charges payable	<u>1,312</u>	<u>—</u>
	<u>1,743</u>	<u>566</u>

### 7 TAX ON PROFIT ON ORDINARY ACTIVITIES

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

	2003 £	2002 £
Current tax:		
Corporation tax	—	—
Under provision in prior years	4,348	5,995
Total current tax	<u>4,348</u>	<u>5,995</u>

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

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

	2003 £	2002 £
Profit on ordinary activities before taxation	<u>154,808</u>	<u>385,747</u>
Profit on ordinary activities by rate of tax	46,442	115,724
Expenses not deductible for tax purposes	9,590	895
Capital allowances for period in excess of depreciation	(165)	(1,219)
Utilisation of tax losses	(24,600)	(114,820)
Adjustments to tax charge in respect of previous periods	4,348	5,995
Group relief claimed	<u>(31,267)</u>	<u>(580)</u>
Total current tax (note 7(a))	<u>4,348</u>	<u>5,995</u>

# Utilicom Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2003

### 8 INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 September 2002 and 31 August 2003	998
Amortisation	
At 1 September 2002	333
Charge for the year	333
At 31 August 2003	666
Net book value	
At 31 August 2003	332
At 31 August 2002	665

### 9 TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Total £
Cost					
At 1 September 2002	134,086	119,152	10,742	161,592	425,572
Additions	—	9,729	—	34,005	43,734
At 31 August 2003	134,086	128,881	10,742	195,597	469,306
Depreciation					
At 1 September 2002	68,941	79,799	9,676	138,006	296,422
Charge for the year	9,772	7,364	187	19,178	36,501
At 31 August 2003	78,713	87,163	9,863	157,184	332,923
Net book value					
At 31 August 2003	55,373	41,718	879	38,413	136,383
At 31 August 2002	65,145	39,353	1,066	23,586	129,150

### 10 INVESTMENTS

	Shares in group undertakings £
Cost	
At 1 September 2002 and 31 August 2003	94
Net book value	
At 31 August 2003	94
At 31 August 2002	94

# Utilicom Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2003

### 10 INVESTMENTS *(continued)*

#### Subsidiary undertakings

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
Industrielle de Chauffage Enterprise United Kingdom Limited	Ordinary	90%
North Channel Energy Services Limited	Ordinary	100%
Cogen Systems Limited	Ordinary	100%

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

### 11 STOCKS

	2003 £	2002 £
Raw materials	—	11,682
Work in progress	10,985	—
	<u>10,985</u>	<u>11,682</u>

### 12 DEBTORS

	2003 £	2002 £
Trade debtors	769,002	777,926
Amounts owed by group undertakings	2,122,865	1,591,725
Prepayments and accrued income	219,906	65,809
	<u>3,111,773</u>	<u>2,435,460</u>

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

	2003 £	2002 £
Trade creditors	449,055	290,414
Amounts owed to group undertakings	147,696	—
PAYE and social security	46,747	37,710
VAT	75,915	33,691
Other creditors	16,333	17,701
Accruals and deferred income	288,744	226,062
	<u>1,024,490</u>	<u>605,578</u>

# Utilicom Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2003

### 14 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2003 the company had annual commitments under non-cancellable operating leases as set out below.

	2003		2002	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within 1 year	–	25,761	–	22,237
Within 2 to 5 years	42,683	39,626	42,683	40,791
	<u>42,683</u>	<u>65,387</u>	<u>42,683</u>	<u>63,028</u>

### 15 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 £62,232 (2002: no group registration in force).

### 16 RELATED PARTY DISCLOSURES

At the balance sheet date the company was owed £351,891 (2002: £318,688) by IDEX Energy UK Limited, a group company and £22,837 (2002: £22,837) by Strasbourgeoise d'Exploitation de Chauffage SA, the joint ultimate parent company.

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

### 17 SHARE CAPITAL

	2003 £	2002 £
Authorised:		
1,650,000 Ordinary shares of £1 each	<u>1,650,000</u>	<u>1,650,000</u>
	2003 £	2002 £
Allotted, called up and fully paid:		
550,000 Ordinary shares of £1 each	<u>550,000</u>	<u>550,000</u>

### 18 RESERVES

	Other reserves £	Profit and loss account £
Balance brought forward	1,508,705	88,241
Retained profit for the year	–	150,460
Balance carried forward	<u>1,508,705</u>	<u>238,701</u>

# Utilicom Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2003

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### 19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003	2002
	£	£
Profit for the financial year	150,460	379,752
Opening shareholders' equity funds	<u>2,146,946</u>	<u>1,767,194</u>
Closing shareholders' equity funds	<u>2,297,406</u>	<u>2,146,946</u>

### 20 ULTIMATE PARENT COMPANY AND PARENT UNDERTAKING OF LARGER GROUP

The company is ultimately jointly owned and controlled by IDEX SA and Strasbourgeoise d'Exploitation de Chauffage 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 Strasbourgeoise d'Exploitation de Chauffage 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.