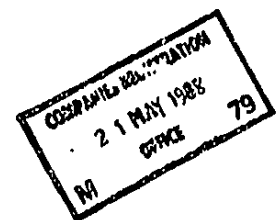


Utilicom Limited

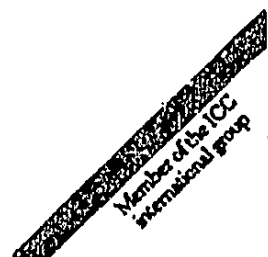
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Report and Accounts

30th June 1986



Comins & Co
Chartered Accountants
London, Ashford and Geneva



UTILIGON LIMITED

30TH JUNE 1986

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UTILICOM LIMITED
REPORT OF THE DIRECTORS

DIRECTORS:

A.J.M. Planchot
C.J. Maillard

SECRETARY:

S.B. Thomson

The Directors present their report and accounts for the year ended 30th June 1986.

1. REVIEW OF THE BUSINESS

The principal activity of the Company during the year was the provision of heating and energy services.

	1986	1985
Turnover	£1,641,422	£3,072,445
	-----	-----
Profit before taxation	3,717	54,243
Taxation	2,833	28,299
	-----	-----
Extraordinary Item	884	25,944
	-	18,041
	-----	-----
Profit for the year	£ 884	£ 43,985
	-----	-----

2. PROPOSED DIVIDEND

The Directors do not recommend the payment of a dividend.

3. DIRECTORS AND THEIR INTERESTS

The Directors have no interests in the shares of the company. The Directors during the year were as follows:-

A.J.M. Planchot
C.J. Maillard

Mr. Planchot holds two shares in Idex SA, the parent company. No other Director holds shares in that company.

4. AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution proposing the re-appointment of Messrs. Comins & Co. as Auditors of the Company will be put to the Annual General Meeting.

Registered Office:
22 St. Andrew Street
London
EC4A 3AN

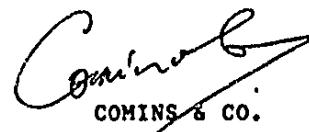
April 1987

BY ORDER OF THE BOARD
S.B. Thomson
S.B. Thomson
Secretary

**REPORT OF THE AUDITORS
TO THE MEMBERS OF UTILICOM LIMITED**

We have audited the accounts on pages 3 to 11 in accordance with approved Auditing Standards.

In our opinion the accounts, which have been prepared under the historical cost convention, give a true and fair view of the state of affairs of the Company at 30th June 1986 and of its profit and source and application of funds for the year ended on that date and comply with the Companies Act 1985.


COMINS & CO.

Chartered Accountants

22, St. Andrew Street,
London,
EC4A 3AN.

April 1987

UTILICOM LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 1986

		1986 £	1985 £
<u>TURNOVER</u>	NOTE 2	1,641,422	3,072,445
<u>Cost of Sales</u>		1,302,103	2,715,421
<u>GROSS PROFIT</u>		339,319	357,024
Administrative Expenses		310,944	244,912
<u>OPERATING PROFIT</u>	3	28,375	112,112
Income from Investments	5	2,656	3,061
		31,031	115,173
Interest Payable	6	27,314	60,930
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		3,717	54,243
Taxation	7	2,833	28,299
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		884	25,944
Extraordinary Item	8	-	18,041
PROFIT FOR THE FINANCIAL YEAR	18	£ 884	£ 43,985

The notes on pages 6 to 11
form part of these Accounts

UTILICOM LIMITED

BALANCE SHEET
30TH JUNE 1986

	NOTE	£	1986	£	1985	£
<u>FIXED ASSETS</u>						
Tangible Assets	9		48,735		42,031	
<u>CURRENT ASSETS</u>						
Stocks	10	36,751		160,545		
Debtors	11	683,165		1,065,102		
Investments	12	248		248		
Cash	13	36,971		33,948		
		757,135		1,259,843		
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	14	480,814		985,738		
<u>NET CURRENT ASSETS</u>			276,321		274,105	
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			325,056		316,136	
<u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>	15		40,922		31,242	
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>	16		1,194		2,838	
<u>NET ASSETS</u>			£282,940		£282,056	
<u>Financed by:</u>						
<u>CAPITAL AND RESERVES</u>						
Called Up Share Capital	17		200,000		200,000	
Profit and Loss Account	18		82,940		82,056	
<u>SHAREHOLDERS FUNDS</u>			£282,940		£282,056	

Approved by the Board

.....)
A.J.M. Manohar)
.....)
C.J. Manohar) Directors

April 1987

The notes on pages 6 to 11
form part of these accounts

UTIL COM LIMITED
SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 30TH JUNE 1986

	£	1986	£	1985	£
SOURCE OF FUNDS					
Profit on ordinary activities before taxation			3,717		54,243
Extraordinary Item before taxation			-		42,866
Adjustment for items not involving the movement of funds:					
Depreciation	10,755			11,485	
Net Loss on sale of Fixed Assets	220			1,519	
			10,975		13,004
TOTAL GENERATED FROM OPERATIONS			14,692		110,113
FUNDS FROM OTHER SOURCES					
Proceeds of sale of Fixed Assets	450			955	
Increase in Creditors due after more than one year	9,680			-	
			10,130		955
			24,822		111,068
APPLICATION OF FUNDS					
Taxation Paid	136			35,917	
Purchase of Fixed Assets	18,130			27,487	
Decrease in Creditors due after more than one year	-			104,605	
			18,266		168,009
			£ 6,556		£(56,941)
(DECREASE)/INCREASE IN WORKING CAPITAL					
Stocks			(123,794)		(22,427)
Debtors - excluding taxation			(374,247)		188,125
Creditors due within one year-excluding taxation and bank overdraft.			40,967		45,211
			(457,074)		210,909
Movement in Net Liquid Funds					
Cash	3,023			12,794	
Bank overdraft	460,607			(280,644)	
			463,630		(267,850)
			£ 6,556		£(56,941)

UTILICOM LIMITED

NOTES TO THE ACCOUNTS
30TH JUNE 1986

1. ACCOUNTING POLICIES

(i) Accounting Conventions

The Accounts are prepared under the historical cost convention.

(ii) Long Term Provision

Utilicom Ltd undertakes during the period of a heat-supply contract to replace certain items of boiler plant and machinery at the end of their useful lives. It is the Company's policy to provide for this liability over the life of the contract by annual amounts adjusted for inflation. Expenditure incurred is set against the provision.

(iii) Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life as follows:

Plant and Machinery	at 25% p.a. on a reducing balance basis
Fixtures and Fittings	at 15% p.a. on a reducing balance basis
Motor vehicles	at 25% p.a. on a reducing balance basis

(iv) Stocks

Stocks are stated in accordance with Statement of Standard Accounting Practice No. 9 at the lower of cost and net realisable value as follows:

Purchased for re-sale:- purchase cost on a first in first out basis

Stocks of Spares:- At cost by reference to suppliers current replacement cost or the company's valuation.

Net realisable value is based on the estimated selling price less further costs expected to be incurred to completion and disposal.

(v) Deferred Taxation

Deferred taxation is provided on the liability method on all short term timing differences. Provision is also made for long term timing differences except for those which are not expected to reverse in the future.

(vi) Turnover

Turnover represents the invoiced amount of goods sold and services provided during the year exclusive of value added tax.

UTILICOM LIMITED
NOTES TO THE ACCOUNTS
30TH JUNE 1986

2. ANALYSIS OF TURNOVER

All turnover is derived from the United Kingdom.

3. OPERATING PROFIT

	<u>1986</u>	<u>1985</u>
	<u>£</u>	<u>£</u>
This is stated after charging:		
Depreciation	10,755	11,485
Hire of Plant and Machinery	4,028	2,745
Auditors Remuneration	4,250	4,250

4. EMPLOYEES

The average weekly numbers of employees during the year was made up as follows:

	<u>1986</u>	<u>1985</u>
Administration Staff	11	8
Engineers	25	24
	-----	-----
	36	32
	-----	-----

Staff costs during the year amounted to:

Wages and Salaries	351,797	273,775
Other Pension Costs	9,100	2,829
Social Security Costs	33,875	28,610
	-----	-----
	£394,772	£305,214
	-----	-----

Staff costs include the following in respect of Directors:

Others Emoluments (including pension contributions)	£16,000	£26,000
	-----	-----

Emoluments (excluding pension contributions) were paid as follows:

Chairman	£NIL	£NIL
	-----	-----
Highest Paid Director	£16,000	£16,000
	-----	-----
Other Directors:		
£5,001-£10,000	-	1

UTILICOM LIMITED

NOTES TO THE ACCOUNTS
30TH JUNE 1986

5. INVESTMENT INCOME

	<u>1986</u>	<u>1985</u>
Bank Deposit Interest	2,640	2,631
Premium on sale of lease	-	414
Dividends Received	16	16
	<u>£ 2,656</u>	<u>£ 3,061</u>

6. INTEREST PAYABLE

	<u>1986</u>	<u>1985</u>
Bank overdraft	27,314	59,666
Interest on overdue Corporation Tax	-	1,264
	<u>£27,314</u>	<u>£60,930</u>

7. TAXATION

	<u>1986</u>	<u>1985</u>
UK Corporation Tax at 29/30%		
Current	4,934	25,088
Adjustment: in respect of prior years	(457)	373
Deferred Tax	(1,644)	2,838
	<u>£2,833</u>	<u>£28,299</u>

8. EXTRAORDINARY ITEM

	<u>1986</u>	<u>1985</u>
The extraordinary item comprises:-		
Long Term Provision no longer required	-	107,686
Less: Corporation tax applicable thereto	-	(24,825)
		<u>£82,861</u>
Less: Provision for		
Directors Loan Account	-	(29,920)
Loan	-	(34,900)
	<u>-</u>	<u>£18,041</u>

UTILICOM LIMITED
NOTES TO THE ACCOUNTS
30TH JUNE 1986

9. TANGIBLE FIXED ASSETS

	<u>MOTOR VEHICLES</u>	<u>PLANT AND MACHINERY</u>	<u>FIXTURES & FITTINGS</u>	<u>TOTAL</u>
<u>Cost or Valuation</u>				
1st July 1985	41,497	11,025	23,515	76,037
Additions	7,243	-	10,887	18,130
Disposals	(3,249)	-	-	(3,249)
	-----	-----	-----	-----
At 30th June 1986	£45,491	£11,025	£34,402	£90,918
	-----	-----	-----	-----
<u>Depreciation</u>				
1st July 1985	21,058	5,538	7,410	34,006
Charge for the year	5,412	1,371	3,972	10,755
Disposals	(2,578)	-	-	(2,578)
	-----	-----	-----	-----
At 30th June 1986	£23,892	£6,909	£11,382	£42,183
	-----	-----	-----	-----
<u>Net Book Value</u>				
At 30th June 1986	£21,599	£4,116	£23,020	£48,735
	-----	-----	-----	-----
At 1st July 1985	£20,439	£5,487	£16,105	£42,031
	-----	-----	-----	-----

UTILICOM LIMITED
NOTES TO THE ACCOUNTS
30TH JUNE 1986

10. STOCKS	<u>1986</u>	<u>1985</u>
Stock of spares	15,495	12,311
Fuel	21,256	148,234
	-----	-----
	£36,751	£160,545
	-----	-----
11. DEBTORS	<u>1986</u>	<u>1985</u>
Trade debtors	373,435	877,051
Other debtors	162,144	118,840
Prepayments and accrued income	50,886	37,016
Corporation Tax	-	7,690
Associated Company	47,079	17,503
Holding Company	49,621	7,002
	-----	-----
	£683,165	£1,065,102
	-----	-----
12. INVESTMENTS HELD AS CURRENT ASSETS	<u>1986</u>	<u>1985</u>
Listed Investments	£248	£248
(Market Value £424 1985: £308)	-----	-----
13. CASH		
£30,000 of this balance is subject to a specific charge in respect of Bank guarantees given by the Company.		
14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>1986</u>	<u>1985</u>
Bank overdraft **	232,631	693,238
Trade creditors	117,500	200,180
Corporation Tax	46,560	49,909
Other Taxes and Social Security costs	47,051	13,447
Other Creditors and accruals	37,072	28,964
	-----	-----
	£480,814	£985,738
	-----	-----

** The Bank holds a floating charge over the assets of the company

UTILICOM LIMITED

NOTES TO THE ACCOUNTS
30TH JUNE 1986

15. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR

	<u>1986</u>	<u>1985</u>
Long Term Provision	£ 40,922 *****	£ 31,242 *****

16. PROVISIONS FOR LIABILITIES AND CHARGES

This comprises deferred taxation as follows:-

	<u>1986</u>	<u>1985</u>
Accelerated Depreciation Allowances	7,980	8,303
Timing differences	(6,786)	(5,467)
	£ 1,194 *****	£ 2,838 *****

17. SHARE CAPITAL

	<u>1986</u>	<u>1985</u>
Authorised Ordinary shares of £1 each	£250,000 *****	£250,000 *****
Allotted called-up and fully paid Ordinary shares of £1 each	£200,000 *****	£200,000 *****

18. RESERVES

	<u>Profit and Loss Account</u>
At 1st July 1985	82,056
Retained profit for year	884
	£ 82,940 *****

19. LEASING COMMITMENTS

The amount outstanding for the leasing of motor vehicles at the 30th June was £67,713 (1985:- £49,533).

20. CONTINGENT LIABILITIES

At 30th June 1986 there was a contingent liability in respect of a guarantee given by the Company for a bond issued amounting to £6,780.

21. HOLDING COMPANY

The holding company is IDEX SA a company incorporated in France.