

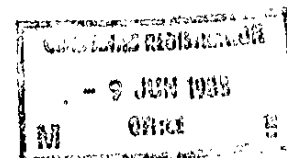
G. B. J.

1506399

Utilicom Limited

Report and Accounts

30th June 1987



09.06.88
BLUE

Comins & Co.
Chartered Accountants
London, Ashford and Geneva

Member of the ICC
international group

UTILICOM LIMITED
REPORT OF THE DIRECTORS

DIRECTORS:

A.J.M. Planchot (Chairman)
C.J. Maillard

SECRETARY:

S.B. Thomson

The Directors present their report and accounts for the year ended 30th June 1987.

1. REVIEW OF THE BUSINESS

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

	1987	1986
Turnover	£1,378,769 =====	£1,641,422 =====
Profit before taxation	1,350	3,717
Taxation	2,440	2,833
(Loss)/Profit for the year	£ (1,090) =====	£ 884 =====

2. PROPOSED DIVIDEND

The Directors do not recommend the payment of a dividend, (1986 - £NIL).

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

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

BY ORDER OF THE BOARD

S.B. Thomson

Secretary

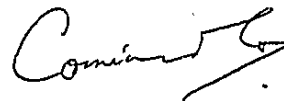
10th May 1988

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 having regard to the matters referred to in the following paragraph.

In common with many businesses of similar size and organisation the company's system of control is dependent upon the close involvement of the Directors. Where independent confirmation of the completeness of the accounting records was therefore not available we have accepted assurances from the Directors that all the company's transactions have been reflected in the records.

Subject to the foregoing, in our opinion the Accounts, give a true and fair view of the state of affairs of the company at 30th June 1987 and of its loss and source and application of funds for the year ended on that date and have been properly prepared in accordance with the Companies Act 1985.



COMINS & CO.

Chartered Accountants

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

10th May 1988

UTILIGOM LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 1987

		1987 £	1986 £
<u>TURNOVER</u>	NOTE 2	1,378,769	1,641,422
<u>COST OF SALES</u>		986,369	1,302,103
<u>GROSS PROFIT</u>		392,400	339,319
Administrative Expenses		368,369	310,944
<u>OPERATING PROFIT</u>	3	24,031	28,375
Income from Investments	5	14,579	2,656
		38,610	31,031
Interest Payable	6	37,260	27,314
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		1,350	3,717
Taxation	7	2,440	2,833
<u>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</u>	16	£ (1,090) =====	£ 884 =====

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

UTILICOM LIMITED

BALANCE SHEET 30TH JUNE 1987

		1987		1986	
	NOTE	£	£	£	£
<u>FIXED ASSETS</u>					
Tangible Assets	8		176,007		48,735
<u>CURRENT ASSETS</u>					
Stocks	9	54,966		36,751	
Debtors	10	907,128		683,165	
Investments	11	-		248	
Cash at bank and in hand		41,031		36,971	
		1,003,125		757,135	
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	12	796,730		480,814	
<u>NET CURRENT ASSETS</u>			206,395		276,321
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			382,402		325,056
<u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>	13		46,644		40,922
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>	14		3,908		1,194
<u>NET ASSETS</u>			£331,850		£282,940
<u>CAPITAL AND RESERVES</u>					
Called Up Share Capital	15		250,000		200,000
Profit and Loss Account	16		81,850		82,940
<u>SHAREHOLDERS' FUNDS</u>			£331,850		£282,940
Approved by the Board					
.....)					
A.J.M. Pilonnet)					
.....)					
C.J. Mallard)	Directors				
10th May 1988					
The notes on pages 6 to 11 form part of these accounts					

UTILICOM LIMITED

SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 30TH JUNE 1987

	1987		1986	
	£	£	£	£
<u>SOURCE OF FUNDS</u>				
Profit on ordinary activities before taxation		1,350		3,717
Adjustment for items not involving the movement of funds:				
Depreciation	30,243		10,755	
Net Loss on sale of Fixed Assets	302		220	
Profit on Sale of Investments	(184)		-	
		30,361		10,975
<u>TOTAL GENERATED FROM OPERATIONS</u>		31,711		14,692
<u>FUNDS FROM OTHER SOURCES</u>				
Proceeds of sale of Fixed Assets	1,505		450	
Increase in Creditors due after more than one year	5,723		9,680	
Issue of Ordinary Shares	50,000		-	
Sale of Investments	431		-	
		57,659		10,130
		89,370		24,822
<u>APPLICATION OF FUNDS</u>				
Taxation Paid	45,862		136	
Purchase of Fixed Assets	159,322		18,130	
		205,184		18,266
<u>(DECREASE)/INCREASE IN WORKING CAPITAL</u>		£(115,814)		£ 6,556
		=====		=====
<u>WORKING CAPITAL MOVEMENTS</u>				
Stocks		18,215		(123,794)
Debtors		224,051		(374,247)
Creditors		(183,338)		40,967
		58,928		(457,074)
<u>Movement in Net Liquid Funds</u>				
Cash at bank and in hand	4,060		3,023	
Bank overdraft	(178,802)		460,607	
		(174,742)		463,630
		£(115,814)		£ 6,556
		=====		=====

UTILICOM LIMITED

NOTES TO THE ACCOUNTS
30TH JUNE 1987

1. ACCOUNTING POLICIES

(i) Accounting Convention

The Accounts are prepared under the historical cost convention.

(ii) Long Term Provision

The company undertakes during the year to replace certain items of boiler plant and machinery with regard to heat-supply contracts, 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, 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 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:- purchase cost on a last in first out basis

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.

UTILICOM LIMITED

NOTES TO THE ACCOUNTS 30TH JUNE 1987

2. TURNOVER

All turnover is derived in the United Kingdom and relates to the principal activity of the company.

3. OPERATING PROFIT

	<u>1987</u> <u>£</u>	<u>1986</u> <u>£</u>
This is stated after charging:		
Depreciation	30,243	10,755
Hire of Plant and Machinery	5,147	4,028
Auditors' Remuneration	4,750	4,250
	=====	=====

4. EMPLOYEES

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

	<u>1987</u>	<u>1986</u>
Administrative Staff	14	11
Engineers	31	25
	-----	-----
	45	36
	=====	=====

Staff costs during the year amounted to:

Wages and Salaries	428,653	351,797
Other Pension Costs	6,985	9,100
Social Security Costs	42,714	33,875
	-----	-----
	£478,352	£394,772
	=====	=====

Staff costs include the following in respect of Directors:

Others Emoluments (including pension contributions)	£16,000	£16,000
	=====	=====

UTILICOM LIMITED

NOTES TO THE ACCOUNTS
30TH JUNE 1987

5. INVESTMENT INCOME

	<u>1987</u>	<u>1986</u>
Bank Deposit Interest	3,798	2,640
Profit on Sale of Investments	184	-
Dividends Received	-	16
Loan Interest	10,597	-
	-----	-----
	£14,579	£ 2,656
	=====	=====

6. INTEREST PAYABLE

	<u>1987</u>	<u>1986</u>
Bank overdraft	32,204	27,314
Interest on loan repayable within five years	5,056	-
	-----	-----
	£37,260	£27,314
	=====	=====

7. TAXATION

	<u>1987</u>	<u>1986</u>
UK Corporation Tax at 29.75%		
Current	-	4,934
Adjustment: in respect of prior years	(274)	(457)
Deferred Tax	2,714	(1,644)
	-----	-----
	£2,440	£2,833
	=====	=====

UTILICOM LIMITED
NOTES TO THE ACCOUNTS
30TH JUNE 1987

8. TANGIBLE FIXED ASSETS

	<u>MOTOR VEHICLES</u>	<u>PLANT AND MACHINERY</u>	<u>FIXTURES & FITTINGS</u>	<u>TOTAL</u>
<u>Cost</u>				
1st July 1986	45,491	11,025	34,402	90,918
Additions	139,703	2,034	17,585	159,322
Disposals	(7,617)	-	-	(7,617)
At 30th June 1987	<u>£177,577</u>	<u>£13,059</u>	<u>£51,987</u>	<u>£242,623</u>
<u>Depreciation</u>				
1st July 1986	23,892	6,909	11,382	42,183
Charge for the year	22,189	1,140	6,914	30,243
Adjustment on Disposal	(5,810)	-	-	(5,810)
At 30th June 1987	<u>£40,271</u>	<u>£8,049</u>	<u>£18,296</u>	<u>£66,616</u>
<u>Net Book Value</u>				
At 30th June 1987	<u>£137,306</u>	<u>£5,010</u>	<u>£33,691</u>	<u>£176,007</u>
At 1st July 1986	<u>£21,599</u>	<u>£4,116</u>	<u>£23,020</u>	<u>£48,735</u>

UTILICOM LIMITED

NOTES TO THE ACCOUNTS
30TH JUNE 1987

9. <u>STOCKS</u>	<u>1987</u>	<u>1986</u>
Stock of spares	33,481	15,495
Fuel	21,485	21,256
	£54,966	£36,751
	=====	=====

10. <u>DEBTORS</u>	<u>1987</u>	<u>1986</u>
Trade debtors	380,097	373,435
Amounts owed by Holding Company	165,792	49,621
Amounts owed by Related Company	-	47,079
Other Debtors	324,499	162,144
Prepayments and Accrued Income	36,740	50,886
	£907,128	£683,165
	=====	=====

11. <u>INVESTMENTS HELD AS CURRENT ASSETS</u>	<u>1987</u>	<u>1986</u>
Listed Investments		
(Market Value £NIL 1986: £424)	£NIL	£248
	=====	=====

12. <u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	<u>1987</u>	<u>1986</u>
Bank overdraft **	411,433	232,631
Trade creditors	207,812	117,500
Amounts due to Holding Company	104,956	-
Current Corporation Tax	424	46,560
Other Taxes and Social Security costs	32,694	47,051
Other Creditors	9,310	3,999
Accruals	30,101	33,073
	£796,730	£480,814
	=====	=====

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

13. <u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>	<u>1987</u>	<u>1986</u>
Long Term Provision	£ 46,644	£ 40,922
	=====	=====

UTILICOM LIMITED
NOTES TO THE ACCOUNTS
30TH JUNE 1987

14. PROVISIONS FOR LIABILITIES AND CHARGES

This comprises deferred taxation as follows. The provision in the Accounts relates to accelerated capital allowances.

15. SHARE CAPITAL

	<u>1987</u>	<u>1986</u>
Authorised		
Ordinary shares of £1 each	£250,000	£250,000
	=====	=====
Allotted called-up and fully paid		
Ordinary shares of £1 each	£250,000	£200,000
	=====	=====

The issued share capital of the company was increased from £200,000 to £250,000 by the issue to STREC S.A. of 50,000 Ordinary Shares of £1 each at par by Ordinary Resolution on the 7th January 1987.

16. RESERVES

	<u>Profit and Loss Account</u>
At 1st July 1986	82,940
Retained loss for the year	(1,090)

At 30th June 1987	£ 81,850
	=====

17. LEASING COMMITMENTS

The amount outstanding for the leasing of motor vehicles at the 30th June 1987 was £25,354 (1986:- £67,713).

18. CONTINGENT LIABILITIES

At 30th June 1987 there was a contingent liability in respect of a guarantee given by the Company for a bond issued amounting to £6,780.

19. CAPITAL COMMITMENTS

Capital expenditure contracted but not provided for amounted to £99,965.

20. ULTIMATE HOLDING COMPANY

The Company is owned 50% by IDEX SA and 50% by STREC SA, both companies are incorporated in France.