

2595814

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**FIBROWATT LIMITED**  
**REPORT AND ACCOUNTS**  
**YEAR ENDED 31 MARCH 1995**

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FIBROWATT LIMITED

Number 2595814

INDEX

English register

Year ended 31 March 1995

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## FIBROWATT LIMITED

### GENERAL INFORMATION

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DIRECTORS	S J Fraser R J Fraser P G Apps E J Fraser P L Gulliver N C Holt R A M Constant MBE	<i>(Chairman)</i> <i>(Finance Director)</i> <i>(Engineering Director)</i>    <i>(Appointed 12 September 1995)</i>
SECRETARY	R J Fraser	
HEAD OFFICE	Astley House 33 Notting Hill Gate London W11 3JQ Telephone Fax	   <i>0171 229 9252</i> <i>0171 221 8671</i>
REGISTERED OFFICE	38 Clarendon Road London W11 3AD	
AUDITORS	Dixon Wilson PO Box 900 Rotherwick House 3 Thomas More Street London E1 9YX	
SOLICITORS	McKenna & Co Mitre House 160 Aldersgate Street London EC1A 4DD	
BANKERS	The Royal Bank of Scotland plc 62/63 Threadneedle Street London EC2R 8LA	
FINANCIAL ADVISERS	Bank of America NT and SA 1 Alie Street London E1 8DE  Impax Capital Corporation 19 Clifford Street London W1X 1RH	
PARENT COMPANY	Fibro Holdings Limited	

## **FIBROWATT LIMITED**

### **REPORT OF THE DIRECTORS**

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The directors submit their report and audited accounts for the year ended 31 March 1995.

#### **RESULTS AND DIVIDENDS**

The loss on ordinary activities before taxation was £613,480 (1994 - £466,312). Because of accumulated losses, the directors are not able to recommend payment of a dividend (1994 - £Nil).

#### **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The group's primary businesses are to develop and construct electricity power stations and to provide management and office services to other companies constructing and operating such power stations.

In the opinion of the directors, the state of affairs of the group and its future prospects are satisfactory.

#### **FIXED ASSETS**

Movements in Fixed Assets are set out in notes 5, 6 and 7 to the financial statements.

#### **DIRECTORS**

The directors who served during the year are shown on page 2.

#### **DIRECTORS' INTERESTS**

No director held any interest in the shares of the company during the year. The directors held the following 1p shares in the parent company at the beginning and end of the year:

**At 1 April 1994 & 31 March 1995**

	<b>Number</b>
S J Fraser	3,150
E J Fraser	2,700
R J Fraser	1,250
P G Apps	1,250
S J Fraser and R J Fraser (non-beneficial)	800

P L Gulliver and N C Holt held no interest in the shares of the parent company at any time during the year.

#### **DIRECTORS' LIABILITY INSURANCE**

During the financial year the company maintained insurance cover for directors' and officers' liabilities as permitted by section 310(3)(a) of the Companies Act 1985.

**FIBROWATT LIMITED**

**REPORT OF THE DIRECTORS (continued)**

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**FORTHCOMING APPOINTMENTS**

The Board is pleased to announce that J T Watson has accepted an offer to join the Board of Fibrowatt, and will be appointed as Finance Director shortly. At the same time, R J Fraser will become Managing Director and A I C Fraser will be promoted to Company Secretary.

**AUDITORS**

A resolution to re-appoint Dixon Wilson as auditors in accordance with Section 385 of the Companies Act 1985 will be proposed at the forthcoming annual general meeting.

By order of the board



R J FRASER

Secretary  
London

## **FIBROWATT LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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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 group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# DIXON WILSON

## CHARTERED ACCOUNTANTS

PO Box 900 Rotherwick House 3 Thomas More Street London E1 9YX

### AUDITORS' REPORT TO THE MEMBERS OF FIBROWATT LIMITED

We have audited the financial statements on pages 7 to 13 which have been prepared under the accounting policies set out on page 9.

#### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 5 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

#### 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 mis-statement, 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.

#### *Going concern*

In forming our opinion we have considered the adequacy of the disclosures made in note 20 of the financial statements concerning the group's requirement for further funding. In view of the significance of the fact that the preparation of the financial statements on a going concern basis assumes the successful conclusion of the matters referred to in the note, we consider that the matter should be drawn to your attention but our opinion is not qualified in this respect.

#### OPINION

In our opinion, the financial statements give a true and fair view of the state of affairs of the company and of the group as at 31 March 1995 and of the group's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



DIXON WILSON

Registered Auditors

16 November 1995

**FIBROWATT LIMITED****GROUP PROFIT AND LOSS ACCOUNT****Year ended 31 March 1995**

	Note	1995 £	1994 £
TURNOVER	1	162,000	-
Administrative expenses		(778,300)	(466,478)
Interest receivable		2,820	166
LOSS ON ORDINARY ACTIVITIES	2	(613,480)	(466,312)
Losses brought forward		(472,073)	(5,761)
LOSSES CARRIED FORWARD		<u>(1,085,553)</u>	<u>(472,073)</u>
Made up as follows:			
Company		(1,084,471)	(472,073)
Subsidiary undertakings		<u>(1,082)</u>	<u>-</u>
		<u>(1,085,553)</u>	<u>(472,073)</u>

The group had no recognised gains or losses other than the loss for the year (1994 - Nil).



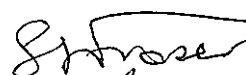
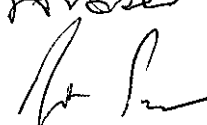
# FIBROWATT LIMITED

## BALANCE SHEETS

At 31 March 1995

	Notes	1995 Group £	1995 Company £	1994 Company £
FIXED ASSETS				
Tangible fixed assets	5	111,227	111,227	-
Intangible fixed assets	6	810,826	-	-
Investments	7	-	2,367	-
		<u>922,053</u>	<u>113,594</u>	<u>-</u>
CURRENT ASSETS				
Stock - Work in progress	8	-	673,401	122,883
Debtors	9	301,226	439,578	289,234
Cash at bank and in hand		<u>62,353</u>	<u>60,141</u>	<u>33,324</u>
		<u>363,579</u>	<u>1,173,120</u>	<u>445,441</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	<u>(1,321,087)</u>	<u>(1,321,087)</u>	<u>(344,421)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(957,508)</u>	<u>(147,967)</u>	<u>101,020</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(35,455)</u>	<u>(34,373)</u>	<u>101,020</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	11	(1,050,000)	(1,050,000)	(342,617)
PROVISION FOR LIABILITIES AND CHARGES - Costs of aborted projects	12	<u>-</u>	<u>-</u>	<u>(230,378)</u>
		<u>(1,085,455)</u>	<u>(1,084,373)</u>	<u>(471,975)</u>
CAPITAL AND RESERVES				
Called up share capital	16	98	98	98
Profit and loss account		<u>(1,085,553)</u>	<u>(1,084,471)</u>	<u>(472,073)</u>
SHAREHOLDERS' FUNDS	18	<u>(1,085,455)</u>	<u>(1,084,373)</u>	<u>(471,975)</u>

The financial statements on pages 7 to 13 were approved by the board of directors on 10 November 1995 and signed on its behalf by:

 S J FRASER  
 Director  
 R J FRASER  
 Director

## **FIBROWATT LIMITED**

### **ACCOUNTING POLICIES**

**Year ended 31 March 1995**

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The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

#### **Accounting convention**

The financial statements have been prepared under the historical cost convention and on the basis applicable to a going concern, for the reasons set out in note 20.

#### **Consolidation**

The company acquired subsidiary companies during the year. Accordingly, consolidated group accounts have been prepared with the company's results for the year ended 31 March 1994 as comparative figures.

#### **Depreciation**

The cost of fixed assets is depreciated over the expected useful lives of the assets as follows:

Office equipment	20% per annum
Motor vehicles	25% per annum

#### **Research and development expenditure**

Development expenditure is capitalised and amortised over the life of the project where related to a clearly defined project which is assessed as feasible and commercially viable. All other research and development expenditure of a revenue nature is written off as incurred.

#### **Intangible fixed assets**

Intangible fixed assets consist of expenditure of a capital nature on new projects owned by group companies, and is stated at cost.

#### **Work in progress**

Work in progress is valued at the lower of cost or net recoverable value. Additionally, provision is made for actual or anticipated costs arising after the balance sheet date when the non-acceptance of a tender is known at the time of approval of the financial statements by the directors.

#### **Cash flow**

The financial statements do not include a cash flow statement because the group, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1, "Cash flow statements".

#### **Foreign currencies**

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

# FIBROWATT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 1995

### 1. TURNOVER

Turnover comprises income from services provided net of VAT.

### 2. LOSS FOR THE YEAR

	1995	1994
	£	£
The loss for the year is stated after charging the following:		
Loss on disposal of fixed assets	375	-
Auditors' remuneration	6,500	2,500
Depreciation	29,712	-
	<u>36,587</u>	<u>2,500</u>

### 3. STAFF COSTS

Employee costs (including directors):		
Wages and salaries	313,171	40,474
Social security costs	31,965	2,979
Other pension costs	20,762	-
	<u>365,898</u>	<u>43,453</u>

These figures include amounts recharged by Fibropower Limited.

	Number	Number
Average number of persons employed (including directors)	<u>10</u>	<u>8</u>

#### Directors' Remuneration

During the year payments of £53,325 (1994 - £Nil) were made by the company for services provided in the ordinary course of business by S J Fraser & Co. a partnership subsisting between S J Fraser and E J Fraser.

In addition, Fibropower Limited recharged £82,838 (1994 - Nil) in respect of directors' emoluments, including pension contributions.

This represents:	£	£
Remuneration of the Chairman (excluding pension contributions)	<u>1,402</u>	<u>Nil</u>

Remuneration of the highest paid director (excluding pension contributions)	<u>37,932</u>	<u>Nil</u>
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The other directors' remuneration fell into the following bands:	Number	Number
£0 - £5,000	<u>3</u>	<u>4</u>
£5,001 - £40,000	<u>1</u>	<u>-</u>

### 4. RELATED PARTY TRANSACTIONS

Throughout the year the company maintained a loan of £250,000 to Fibrophos Limited, which was interest free and repayable on demand. S J Fraser, E J Fraser and R J Fraser, who are directors of Fibrowatt Limited, are connected persons to Fibrophos Limited. In the opinion of the Board, P G Apps, a director of Fibrowatt Limited, also has a material interest in this loan.

During the year the company was recharged head office administration expenses which had been paid by Fibropower Limited. S J Fraser, E J Fraser, R J Fraser and P G Apps had a material interest in these transactions, being connected to Fibropower Limited. The highest amount outstanding in the year, and the year end balance was £72,348.

Also during the year the company was recharged administration expenses which had been paid by Fibrogen Limited. S J Fraser, E J Fraser, R J Fraser and P G Apps had a material interest in these transactions, being connected to Fibrogen Limited. The highest amount outstanding in the year, and the year end balance, was £20,252.

During the year the company recharged administration costs amounting to £800 to S J Fraser & Co. S J Fraser and E J Fraser had a material interest in this transaction.

From 1 October 1994, all head office staff and administration costs incurred in running the business of Fibropower Limited, Fibrogen Limited and Fibrophos Limited were paid by, or recharged to, Fibrowatt Limited, in return for fixed monthly fees. In addition, costs not included in the management services agreements were recharged to Fibropower Limited, amounting to £6,029 and to Fibrogen Limited, amounting to £3,224. S J Fraser, E J Fraser, R J Fraser and P G Apps had a material interest in these transactions, being connected to all three companies. The highest amounts outstanding and the year end balances were:

# FIBROWATT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 March 1995

4. RELATED PARTY TRANSACTIONS (continued)	Highest balance	Year end balance
	£	£
Fibropower Limited	44,062	Nil
Fibrogen Limited	29,375	17,994
Fibrophos Limited	3,525	Nil

5. TANGIBLE FIXED ASSETS - GROUP & COMPANY	Office Equipment	Motor Vehicles	Total
	£	£	£
COST			
Acquisitions	112,309	34,755	147,064
Disposals	-	(6,125)	(6,125)
Cost at 31 March 1995	112,309	28,630	140,939
Depreciation for the year and at 31 March 1995	22,461	7,251	29,712
Net book value at 31 March 1995	89,848	21,379	111,227

6. INTANGIBLE FIXED ASSETS - GROUP	1995
	£
Costs included in work in progress in company's accounts at 31 March 1994 (see note 8)	122,883
Additions during the year	687,943
At 31 March 1995	810,826

7. INVESTMENT IN SUBSIDIARIES - COMPANY	
Cost at 1 April 1994	Nil
Acquisitions during the year	2,367
Cost at 31 March 1995	2,367

This represents 100% of the share capital of: Fibritalia S.r.l., Bio-Electricity Limited and Nene Energy Limited.

Bio-Electricity Limited and Nene Energy Limited are registered in England. Fibritalia S.r.l. is incorporated in Italy.

Bio-Electricity Limited has been dormant since incorporation. The three companies' primary business is to develop and construct electricity power stations.

## 8. STOCK - WORK IN PROGRESS - COMPANY

Costs incurred in the development of projects are included in Work-In-Progress in the company's accounts.

When the project obtains financing, these costs are transferred to a subsidiary set up for the purpose of operating the project and included as Intangible Fixed Assets of that company and, upon consolidation, of the group (see note 6). For consistency, all project development costs are included in Intangible Fixed Assets in the group accounts.

9. DEBTORS	Group 1995	Company 1995	Company 1994
	£	£	£
Due from subsidiary	-	138,365	-
Trade debtors	18,288	18,288	-
Other debtors	9,052	9,039	-
VAT recoverable	18,308	18,308	37,032
Loan (see note 4)	250,000	250,000	250,000
Prepayments	5,578	5,578	2,202
	301,226	439,578	289,234

# FIBROWATT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 March 1995

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	Group & Company 1995 £	Company 1994 £
Loans	80,000	—
Other creditors	355,388	189,131
Other taxes and Social Security Costs	9,702	—
Accruals	875,997	155,290
	<u>1,321,087</u>	<u>344,421</u>

S J Fraser has extended a loan to Fibrowatt Limited of £80,000. Repayment is on demand and interest is charged at two per cent over the base rate of Barclays Bank plc.

## 11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

This figure represents loans which are repayable over the following periods:

Between 1 and 2 years	166,667	292,617
2 - 5 years	500,000	—
Over 5 years	383,333	50,000
	<u>1,050,000</u>	<u>342,617</u>

### i) Funding Loan

Under the terms of a loan facility dated 28th March 1994, finance of up to £1.3 million was made available to fund the development of power station projects. £1,000,000 has been drawn.

The loan is secured by a fixed and floating charge over the assets of the company.

The loan was interest-free until 28th September 1995, after which it attracts interest at 1 per cent over the base rate of Barclays Bank plc.

Repayment will commence after the first drawdown of funds by a subsidiary of Fibrowatt Limited ("the repayment trigger") under a senior debt facility negotiated for funding a power station project and will be according to the following table:

	£
Within one year of the balance sheet date	—
Between one and two years	166,667
Between two and five years	500,000
After five years	333,333
	<u>1,000,000</u>

The comparative figures at 31 March 1994 were drawn up on the basis of a different repayment schedule, which would have applied if the repayment trigger had occurred before 28 September 1995.

### ii) Loan from parent company

Fibro Holdings Limited has extended a loan to Fibrowatt Limited of £50,000. Repayment is on demand after a period of five years, and the loan is interest-free.

## 12. PROVISIONS FOR LIABILITIES AND CHARGES

This represented a provision for costs incurred on projects which did not receive contracts from the Non Fossil Purchasing Agency. The provision was fully utilised in the year.

## 13. COMPANY PROFIT AND LOSS ACCOUNT

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the company is not presented as part of these financial statements. The Company's loss for the year ended 31 March 1995 was £612,398 (1994 - £466,312).

# FIBROWATT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 March 1995

### 14. PENSION COSTS

The company contributes to its employees' personal pension schemes. The cost for the year is shown in note 3. There were no outstanding contributions at the year end.

### 15. CONTINGENT LIABILITIES

Liabilities incurred, in the form of expenses and fees which are rolled up, contingent contracts, and options, on behalf of existing and future subsidiaries of the company in relation to projects under development, represent contingent liabilities of the company until such time as funding is secured for such projects and the relevant liabilities are met by the appropriate subsidiary out of such funding. Where such liabilities have already been incurred and are not contingent upon success, they are included in creditors, although they are intended to be settled by the subsidiary developing the project rather than the company.

In addition, the total of such liabilities which either have not yet been incurred or will become due upon the successful securing of funding by a particular project is £1,103,300.

### 16. SHARE CAPITAL

	1994 and 1995	
	No	£
Authorised ordinary shares of 1p each	10,000	100
Allotted and fully paid ordinary shares of 1p each	9,750	98

### 17. ULTIMATE PARENT COMPANY

80% of the company's share capital is owned by Fibro Holdings Limited, a company registered in England.

### 18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Group 1995 £	Company 1995 £	Company 1994 £
Loss for the year	(613,480)	(612,398)	(466,312)
Opening shareholders' funds at 1 April 1994	(471,975)	(471,975)	(5,663)
Closing shareholders' funds at 31 March 1995	(1,085,455)	(1,084,373)	(471,975)

### 19. POST BALANCE SHEET EVENTS

	1995 £	1994 £
Amounts written off stock and work in progress	-	54,088
Provision for costs incurred after 31 March 1994	-	230,378
	-	284,466

### 20. GOING CONCERN

The directors believe that the company is and will continue to be a going concern for the foreseeable future.

Since the year end, the company's continuing activities have been funded by an overdraft facility arranged with the Royal Bank of Scotland plc.

The company is developing a number of power station projects and anticipates that at least one of these projects will secure the funding necessary to start construction in the near future. The cash flows of such projects, which will be operated by subsidiaries of Fibrowatt Limited, are expected to enable the company to continue to meet its liabilities as they fall due.