
DALKIA ENERGY AND TECHNICAL SERVICES LIMITED

ANNUAL REPORT

Year ended 31 December 2000



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DALKIA ENERGY AND TECHNICAL SERVICES LIMITED

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COMPANY INFORMATION

Directors	L Bermejo K Roberts T Clément A Wade R Wood J Duminil D Gill T M Blanco	(appointed 3 April 2000) (appointed 3 April 2000) (appointed 1 November 2000)
Secretary	J-P Riehl	(appointed 29 February 2000)
Registered office	Elizabeth House 56-60 London Road Staines Middlesex TW18 4BQ	
Registered number	906936	
Auditors	RSM Robson Rhodes Chartered Accountants 186 City Road London EC1V 2NU	
Bankers	National Westminster Bank Plc 130 Commercial Road Portsmouth Hampshire PO1 1ES	
Solicitors	Bristows Cooke & Carpmael 10 Lincoln's Inn Fields London WC2A 3BP	

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 December 2000.

Change in name

On 1 January 2000 the company changed its name to Dalkia Energy and Technical Services Limited.

Principal activities

The principal activity of the company is to provide total business solutions to existing and future customers. This is achieved through its expertise and experience in the management, operation and maintenance of heating and air conditioning systems. Its core competency is the total management of energy, including electricity, delivering financial and environmental benefit to its customers. The enlarged business now provides specialist technical skills in respect of electrical and fire protection systems and also further specialist skills in the management of facilities.

Review of business developments

During 2000 we have seen our strategy of building long term customer partnership through focused account management bring major successes. Combining this with our energy conversion programme we have been able to increase our revenue by in excess of £8m, to £87.5m. Additionally, with the successful re-organisation of our business following the merger of Dalkia Energy Management and Dalkia Technical Services earlier in the year, we have improved the Company effectiveness and have been able to reap some benefit from economies of scale. This has resulted in an increase in our operating profit of 134% compared to 1999, to £4.4m.

At the end of the year 2000, we were able to integrate Dalkia Workplace Services (DWS), the facilities management arm of Dalkia, adding depth to our offering through an integrated service delivery aimed at adding value to all stakeholders. We look upon 2001 as a year of continuing success, as we develop further strategic relationship with our Customers both at regional and global level. Our culture of innovation and teamwork will continue to be our priority based on the development of our staff capability. We also see the global environmental focus as an excellent opportunity for the Company to assert its position as UK leader in the energy management market.

Our plan for 2001 and into the future is to build on the strong base we have created in 2000 and achieve sustainable growth.

Effective from 1 January 2000, 150 commercial contracts operated by sister company, Dalkia Utilities Services Limited, were transferred to the company and 18 industrial contracts transferred the other way. This implemented the Dalkia Group's strategy of presenting a wide range of services to clearly defined market sectors.

On 30 June 2000 the company increased its authorised share capital to £10 million and at the same time increased its issued share capital by £6.2 million to £6.7 million, to demonstrate to customers and suppliers the shareholders' commitment to the future. From the same date, Dalkia Technical Services Limited became a wholly owned subsidiary of the company.

DIRECTORS' REPORT (Contd.)

Post balance sheet events

The integration of DWS trading with effect from 1 January 2001 has enlarged our existing offering to include the facilities management business. The turnover value of the contracts transferred was approximately. £15.5m at the start of 2001.

2001 will see the effects of the Climate Change Levy (CCL) which presents excellent opportunities for the business to generate more energy savings for our existing customer base and gain new customers as the benefits become more widely known.

Dalkia Energy & Technical Services is also working alongside its parent company, Dalkia Plc, on the process of re-engineering the current information technology systems, with the introduction of an ERP based solution.

Directors and their interests

The present membership of the board is set out on page 1. Mr P Chattle resigned on 18 February 2000 following his transfer to another Vivendi Group company. Mr J Burrell resigned on 31 August 2000. Miss D France resigned as company secretary on 29 February 2000 and was replaced by Mr J-P Riehl. None of the directors has an interest in the shares of the company or any other group company.

Results and dividend

The profit for the period after taxation amounted to £2,800,000 (31 December 1999: £1,710,000). The directors propose a dividend of £0.40 per share (31 December 1999: £2.60).

Environment

The company has an active commitment to manage the environmental aspects of its business in accordance with current best practice in the industry.

Health and safety

The company regards the promotion of health and safety to be of paramount importance. All relevant measures are taken to ensure as far as practicable the health, safety and welfare of all employees. These measures are also aimed at protecting others who may be affected by our work. Please see the Health & Safety Report which follows the Balance Sheet notes.

Disabled personnel

Full and fair consideration is given to the skills and aptitudes of disabled people in recruitment and career development. In pursuit of this policy all practicable measures are taken to place disabled people in jobs suited to their individual circumstances and to enable them to share equally with other employees in the opportunities available for training and promotion in the company.

Employee involvement and equal opportunities

Employee involvement and consultation is developed through regular formal meetings and informal channels. The company is an equal opportunity employer, and makes no discrimination on the grounds of race, sex or religion in recruitment or career development.

Credit payment policy

For payment to trade creditors, the company's policy is to:

- (a) settle the terms of payment with those suppliers when agreeing the terms of each transactions;
- (b) ensure that those suppliers are made aware of the terms of the payment by inclusion of the relevant terms in contracts; and
- (c) pay in accordance with its contractual and other legal obligations.

Creditor days at 31 December 2000 were 30 days (1999: 31 days).

Statement of directors' responsibilities for the Annual Report

Company law in the United Kingdom 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 these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable United Kingdom accounting standards; and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with 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.

The directors are responsible for ensuring that the directors' report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom.

Auditors

The auditors, RSM Robson Rhodes, have expressed their willingness to continue in office, and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

The report of the directors was approved by the Board on 12 June 2001 and signed on its behalf by:


Jerome Duminil
Director

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF DALKIA ENERGY AND TECHNICAL SERVICES LIMITED**

We have audited the financial statements on pages 6 to 20.

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 the information contained in the Annual Report and consider whether it is consistent with the audited financial statements. 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 information outside the Annual Report.

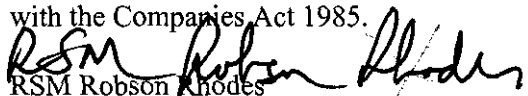
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 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 affairs of the company as at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


RSM Robson Rhodes
Chartered Accountants and Registered Auditor

London, England

12 June 2001

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2000

	Note	2000 £'000	1999 £ '000 as restated
Turnover	2	87,471	22,685
Cost of sales		(69,213)	(16,483)
Gross profit		<u>18,258</u>	<u>6,202</u>
Administrative expenses		(14,193)	(4,087)
Operating profit	5	<u>4,065</u>	<u>2,115</u>
Interest receivable and similar income	6	117	259
Profit on ordinary activities before taxation		<u>4,182</u>	<u>2,374</u>
Tax on profit on ordinary activities	7	(1,382)	(650)
Profit for the financial period		<u>2,800</u>	<u>1,724</u>
Dividends	8	(6,358)	(1,300)
Retained profit for the financial period		<u>(3,558)</u>	<u>424</u>
Retained profit brought forward		4,415	3,991
Retained profit carried forward	17	<u><u>857</u></u>	<u><u>4,415</u></u>

There have been no recognised gains or losses other than the profit for the current period and prior year. Hence a statement of total recognised gains and losses has not been prepared.

The 1999 Accounts have been restated due to the early adoption of FRS 19.

The impact on the 1999 closing reserves was £349k (see note 17) and the impact on the profit after tax for the year 1999 was £14k (see note 7).

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2000

	2000 £'000	1999 £ '000 as restated
Profit for the financial year	2,800	1,724
Prior year adjustment	335	-
Total recognised gains for the year since the last annual report	<u>3,135</u>	<u>1,724</u>

BALANCE SHEET
at 31 December 2000

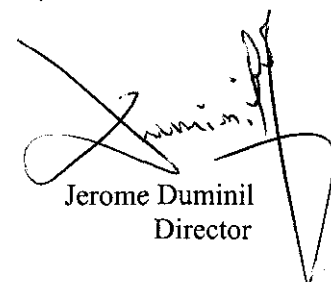
	Note	2000 £'000	1999 £ '000 as restated
Fixed Assets			
Intangible assets		1,012	
Tangible assets	9	2,841	660
Investments	10	3,027	-
		6,880	660
Current assets			
Stocks and work in progress	11	2,652	332
Debtors: amounts falling due after one year	12	1,274	1,295
Debtors: amounts falling due within one year	12	20,575	10,724
Cash at bank and in hand	13	2,408	2,034
		26,909	14,385
Creditors: Amounts falling due within one year	14	(25,303)	(9,465)
		1,606	4,920
Net current assets			
		8,486	5,580
Total assets less current liabilities			
		8,486	5,580
Provision for liabilities and charges	15	(929)	(665)
		7,557	4,915
Total net assets			
		7,557	4,915
Capital and reserves			
Called up equity share capital	16	6,700	500
Profit and loss account		857	4,415
		7,557	4,915
Total equity shareholders' funds			
		7,557	4,915

These financial statements were approved by the Board of Directors on12 June..... 2001.

Signed on behalf of the Board of Directors



Ken Roberts
Managing Director



Jerome Duminil
Director

NOTES TO THE FINANCIAL STATEMENTS
31 December 2000

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared in accordance with applicable accounting standards. Consolidated financial statements have not been prepared as the company is a wholly owned subsidiary of Dalkia plc, for which consolidated financial statements are prepared. The particular accounting policies adopted by the directors are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities, stated net of value added tax.

Related party transactions

The company has taken advantage of the exemption contained in FRS 8 not to present details of transactions with other group entities as it is a wholly owned subsidiary Dalkia plc, and such transactions are eliminated on consolidation.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Plant and equipment	10% - 33% per annum
Computer and office equipment	20% - 33% per annum

Investments

Investments are included at cost less any provision for impairment.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)
31 December 2000

1. ACCOUNTING POLICIES (Cont'd.)

Deferred taxation

Provision is made for deferred taxation using the liability method, without discontinuing, on timing differences calculated at rates at which it is estimated that tax will be payable.

Previous provision was only made to the extent that it was probable that the tax would become payable in the foreseeable future.

The company has adopted FRS 19 Deferred Taxation ahead of mandatory deadline. This has resulted in a prior year adjustment arising. The effect of this standard is explained within note 7.

Leases

Rentals under operating leases are charged to the profit and loss account in equal annual amounts over the lease term.

Assets leased to third parties

For assets leased to third parties under finance leases, the income from finance charges is allocated to accounting periods so as to give a constant rate of return on the net cash investment in the lease. The net investment in finance leases included in debtors represents total lease payments receivable, net of finance charges relating to future accounting periods.

Pension

The expected costs of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the profit and loss account so as to spread the cost over the service lives of employees in the scheme operated by the company in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll.

Replacement guarantee & plant replacement funds

Receipts from customers relating to contracts where the company is responsible for the repair or replacement of specified plant are classified as payments on account to the extent that they are not matched with work performed. Expenditure, when incurred, is charged to cost of sales and an appropriate level of income is recognised at this point, with the corresponding amount recoverable on the contract offsetting the payment on account. Provision is made for all foreseeable losses under these contracts.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)

31 December 2000

1. ACCOUNTING POLICIES (Cont'd.)

Cashflow

Under the provisions of FRS 1, the Company is exempt from producing a cash flow statement since it is a wholly owned subsidiary of an E. C. company which produces a consolidated cash flow statement.

2. TURNOVER

The turnover and operating profit are attributable to one activity, the provision of total management of energy, and are derived entirely within the United Kingdom.

3. DIRECTORS' REMUNERATION

	2000	1999
	£'000	£ '000
Directors' emoluments		
Emoluments (excluding pension contributions)	677	407
	=====	=====
	No.	No.
Number of directors who are members of a defined benefit scheme	7	4
	=====	=====
	2000	1999
	£'000	£ '000
Highest paid director's remuneration:		
Emoluments (excluding pension contributions)	162	181
	=====	=====

The amount of accrued pension of the highest paid director at 31 December 2000 was £28,618 (1999: £21,958) and an accrued lump sum of £nil (1999: £ nil).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
31 December 2000

4. STAFF COSTS

	2000	1999
	£'000	£ '000
Wages and salaries	26,451	4,952
Social security costs	2,656	459
Other pension costs (note 20)	900	221
	<u>30,007</u>	<u>5,632</u>

The average number of employees during the year, including directors, was 1,100 (1999: 214). All employees were engaged in the principal activities of the business.

5. OPERATING PROFIT

	2000	1999
	£'000	£ '000
This is stated after charging/(crediting):		
Depreciation of tangible fixed assets	1,040	374
(Profit) on disposal of tangible fixed assets	(28)	(9)
Auditors' remuneration		
- Audit fees	45	21
- Other services	3	-
Operating lease rentals		
- Land and buildings	368	210
- Plant and machinery	2,419	508
	<u> </u>	<u> </u>

6. INTEREST RECEIVABLE

	2000	1999
	£'000	£ '000
Intercompany interest receivable	-	124
Other interest receivable	117	135
	<u>117</u>	<u>259</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)
31 December 2000

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £'000	1999 £ '000 restated
Corporation tax		
UK corporation tax at 30% (1999: 30%)	1,329	664
Under provision in prior year	168	-
Total current tax	<u>1,497</u>	<u>664</u>
Deferred tax		
Origination and reversal of timing differences	(115)	(14)
Taxation charge for the year	<u>1,382</u>	<u>650</u>

As at 31 December 2000 deferred taxation has been fully provided for in accordance with FRS 19.

	2000 £'000	1999 £ '000 restated
Profit affecting the current tax charge	4,182	2,374
Corporation tax at 30% (1999: 30.25%)	1,255	718
Effect of:		
Expenses not deductible for tax purposes	88	31
Capital allowances in excess of depreciation	(86)	25
Other short term timing differences	72	-
Adjustments in respect of previous periods	168	-
Group relief	-	(110)
Current tax charge for the period	<u>1,497</u>	<u>664</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd.)
31 December 2000

8. DIVIDENDS

	2000	1999
	£'000	£ '000
Interim dividend paid of £7.35 (1999: nil) per share	3,673	-
Dividend proposed of £0.40 (1999: £2.60) per share	2,685	1,300
	<u>6,358</u>	<u>1,300</u>

9. INTANGIBLE FIXED ASSETS

	Purchased Goodwill 2000 £'000
Cost	
At 1 January 2000	-
Transfer additions from DTS	2,589
At 31 December 2000	<u>2,589</u>
Amortisation	
At 1 January 2000	-
Transfer additions from DTS	(1,443)
Charge for the year	(134)
At 31 December 2000	<u>(1,577)</u>
Net book value	
At 31 December 2000	<u>1,012</u>
At 31 December 1999	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
31 December 2000

9. TANGIBLE FIXED ASSETS

	Freehold property £ '000	Plant £ '000	Motor Vehicles £'000	Office equipment fixtures and fittings £'000	Plant at client's premises £'000	Leasehold improvements £'000	Total £'000
Cost							
At 1 January 2000	-	167	-	486	956	14	1,623
Additions	-	32	-	431	437	60	961
Disposals	(320)	(158)	(53)	(2,837)	(159)	(53)	(3,580)
Group transfers	701	265	53	2,239	5,150	47	8,455
At 31 December 2000	381	306	-	319	6,384	68	7,458
Depreciation							
At 1 January 2000	-	69	-	172	708	14	963
Charge in year	-	73	-	673	289	5	1,040
Disposals	(320)	(158)	(53)	(1,665)	(152)	(44)	(2,392)
Group transfers	551	244	53	878	3,250	30	5,006
At 31 December 2000	231	228	-	58	4,095	5	4,617
Net book value							
At 31 December 2000	150	78	-	261	2,289	63	2,841
At 31 December 1999	-	97	-	314	248	-	659

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
31 December 2000

10. FIXED ASSETS INVESTMENTS

	2000	1999
	£'000	£ '000
Cost and net book value		
At 1 January	-	-
Inter-group transfer	3,027	-
At 31 December	<u>3,027</u>	<u>-</u>

On 1 January 2000, the company acquired 100% of the issued share capital of Dalkia Technical Services Limited from its parent company Dalkia plc.

11. STOCKS AND WORK IN PROGRESS

	2000	1999
	£'000	£ '000
Raw materials and consumables	292	200
Contract work in progress	2,360	132
	<u>2,652</u>	<u>332</u>

12. DEBTORS

	2000	1999
	£'000	£ '000
Amounts falling due within one year		
Trade debtors	15,290	3,998
Amounts recoverable on contracts	1,553	1,913
Amounts owed by group companies	860	2,985
Finance lease debtors	161	66
Other debtors	228	48
Prepayments and accrued income	2,483	1,714
	<u>20,575</u>	<u>10,724</u>
Amounts falling due after more than one year		
Finance lease debtors	714	846
Other debtors	96	100
Deferred taxation	464	349
	<u>1,274</u>	<u>1,295</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)**31 December 2000****12. DEBTORS (cont'd)**

The aggregate rental income receivable during the year on finance leases was £61,984 (1999: £75,793). The original cost of assets existing for the purposes of letting under finance leases was £997,000 (1999: £1,136,000).

Deferred taxation

The total amounts of deferred taxation at 31 December 2000 are as follows:

	2000	1999
	£'000	£ '000
Capital allowances in respect of depreciation	(392)	(64)
Other timing differences	(72)	(285)
Deferred tax asset	<u>(464)</u>	<u>(349)</u>

13. CASH AT BANK AND IN HAND

Cash and bank includes an amount of £406,636 (31 December 1999; £388,165) held in trust accounts. This amount is to be used in settling specific balances within the plant replacement fund.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000	1999
	£'000	£ '000
Amounts falling due within one year		
Trade creditors	3,727	1,384
Amounts due to group companies	4,980	216
Payments on account	2,951	2,195
Corporation tax	1,278	577
Other taxation and social security costs	2,400	421
Other creditors	128	255
Accruals and other deferred income	7,154	3,117
Proposed dividend	2,685	1,300
	<u>25,303</u>	<u>9,465</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
31 December 2000

15. PROVISIONS FOR LIABILITIES AND CHARGES

	2000	1999
	£'000	£ '000
Provisions for foreseeable losses on long term contracts		
At 1 January 2000	665	665
Charged to the profit and loss account	264	-
At 31 December 2000	<u>929</u>	<u>665</u>

16. CALLED UP SHARE CAPITAL

	2000	1999
	£'000	£ '000
Authorised		
5,000,000 'A' ordinary shares at £1 each	5,000	500
5,000,000 'B' ordinary shares at £1 each	5,000	500
	<u>10,000</u>	<u>1,000</u>
Allotted and fully paid		
250,000 'A' ordinary shares at £1 each	3,350	250
250,000 'B' ordinary shares at £1 each	3,350	250
	<u>6,700</u>	<u>500</u>

There is no difference in the rights of 'A' and 'B' ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 December 2000

17. COMBINED RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENT ON RESERVES

	Share Capital £'000	Profit and Loss Account £'000	Total 2000 £'000	Total 1999 £'000
At 1 January as previously stated	500	4,066	4,566	4,156
Prior year adjustment	-	349	349	-
At 1 January as restated	<u>500</u>	<u>4,415</u>	<u>4,915</u>	<u>4,156</u>
Ordinary shares issued	6,200	-	6,200	-
Profit for the year	-	2,800	2,800	1,710
Dividends	-	(6,358)	(6,358)	(1,300)
At 31 December	<u><u>6,700</u></u>	<u><u>857</u></u>	<u><u>7,557</u></u>	<u><u>4,566</u></u>

18. FINANCIAL COMMITMENTS

At 31 December 2000 the company was committed to making the following payments during the next year in respect of operating leases:

	2000 £'000	1999 £'000
Land and buildings		
Leases which expire:		
within one year	24	63
within two to five years	92	17
after five years	352	362
	<u>468</u>	<u>442</u>
Other		
Leases which expire:		
within one year	626	91
within two to five years	2,466	287
	<u>3,092</u>	<u>378</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
31 December 2000

19. CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 2000 or 31 December 1999.

20. PENSION COSTS

The company was a participant in the Dalkia plc group pension scheme.

In these accounts, the company's cost of participation in the scheme is recognised on the basis of contributions payable, and the total pension cost of the company for the period was £644,804 (1999: £221,000). This policy is consistent with UK Statement of Standard Accounting Practice No. 24.

21. IMMEDIATE PARENT COMPANY

The company's immediate parent company is Dalkia plc, a company incorporated in Great Britain. The ultimate parent undertaking is Vivendi Universal SA a company incorporated in France. Copies of the respective consolidated financial statements can be obtained from:

Dalkia plc
Elizabeth House
56-60 London Road
Staines
Middlesex TW18 4BQ

Vivendi Universal SA
42 Avenue de Friedland
75380 Paris Cedex 408
France

22. POST BALANCE SHEET EVENT

The trade of Dalkia Workplace Services, an operating division of Dalkia PLC, was transferred on 1 January 2001 to Dalkia Energy and Technical Services Ltd.

HEALTH AND SAFETY

The Directors of the Company regard the promotion of a health and safety organisation and the establishment of relevant measures to ensure so far as is reasonably practicable the health, safety and welfare of all its employees to be of paramount importance.

Following the merger of Dalkia Energy Management and Dalkia Technical Services on 1st January 2000, the Company established a health and safety structure to further the promotion of health and safety and provide direct professional advice and support to the employees, business, customers and the public. This developed over 2000 to meet growing business expansion.

Documentation was reviewed and revised and where none previously existed was developed to ensure the business was kept informed of health and safety developments and of the processes to meet Company and statutory compliance.

Health and safety training was developed at all levels of the organisation using external resource and internal skills. These were wide ranging and covered many health and safety subjects.

The Year 2000 was a challenging year which started with different systems and concluded with a cohesive health and safety culture. The new processes ensured that accident reporting improved and our accident frequency reduced as well. However, the two ratios that measure seriousness of accidents did increase between 1999 and 2000.

There was no action taken by the regulatory enforcement bodies and there are none outstanding.

Peter Court
Company Health & Safety Manager