

CalorForce Limited

Annual Report

for the year ended 29 December 2007

Registered Number 4907193

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CalorForce Limited

Annual report for the year ended 29 December 2007

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CalorForce Limited

Officers and professional advisors for the year ended 29 December 2007

Directors:

A Davis
J M Kearney
G Gyselinck

Secretary.

C Whorton

Registered office:

Athena House
Athena Drive
Tachbrook Park
Warwick
CV34 6RL

Registered number:

4907193

Independent auditors:

PricewaterhouseCoopers LLP
Chartered accountants and registered auditors
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

CalorForce Limited

Directors' report for the year ended 29 December 2007

The directors present their annual report and audited financial statements of CalorForce Limited (the "Company") for the 52 weeks period ended 29 December 2007 (referred to as 2007 and 'year' throughout the annual report, with 2006 referring to the 52 week period ended 30 December 2006)

Principal activities

The principal activities of the Company are the installation and servicing of liquefied petroleum gas (LPG) supply systems

Review of business and future developments

The business of the Company is expected to continue at a satisfactory level

Business review

The directors have taken the exemption under the special provision of section 246 of the Companies Act 1985 from undertaking the detailed business review requirements of section 234ZZB of the Companies Act 1985

Results and dividends

The Company's loss for the financial year is £443k (2006 £519k loss)

The directors do not recommend the payment of a dividend (2006 £nil)

Directors

The directors of the Company during the year and at 29 December 2007 are set out on page 1

Post balance sheet events

On 8 July 2008 the Company took out a further loan with its parent company, Calor Gas Limited, for £1,500k. This loan is due to be repaid on 1 June 2009.

The repayment dates for all other loans with the parent company, totalling £1,575k, were extended to 1 June 2009.

Financial risk management

The Company is exposed to a variety of risks the most significant of which are operational risk, credit risk and liquidity risk. The board seeks to limit the adverse effects of many risks on the financial performance of the Company by reviewing and agreeing policies for managing each of these risks and these are summarised below.

Operational risk

Operational risks are all those risks which are not financial and which are caused by failed systems, human behaviour or external events. Operational risks are assessed by the method of, 'risk self assessment', which is based on the principle that management at all levels is responsible for managing their 'own' operational risks. In addition Health and Safety risks are covered by a Company Safety Management System.

CalorForce Limited

Directors' report for the year ended 29 December 2007 (continued)

Credit risk

The Company has limited credit risk as the majority of the transactions are with group companies. Collection procedures for overdue balances are reviewed annually.

Liquidity Risk

The Company finances its operations through a mixture of bank and other borrowings. Cash forecasts identifying the liquidity requirements of the Company are produced as required. These are reviewed by the management to ensure that sufficient financial headroom exists for at least a 12-month period.

Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability. Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the Company as a whole.

Health and safety

The Company has in place a Health and Safety Policy under which procedures have been developed to identify potential hazards from any substances, products, processes and methods of working, to advise employees and contractors of any hazards and to ensure safe systems of work are adopted to minimise the risk of injury.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

CalorForce Limited

Directors' report for the year ended 29 December 2007 (continued)

Statement of directors' responsibilities (continued)

The directors are responsible for keeping proper accounting records that 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.

Statement of disclosure of information to auditors

In the case of each of the persons who are directors at the time when the report is approved under section 234ZA of the Companies Act 1985 the following applies:

- (a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

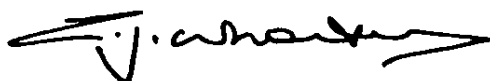
Going concern

Notwithstanding the fact that the Company has net current liabilities and net liabilities, the directors have prepared the accounts on the going concern basis. The directors have received confirmation from Calor Gas Limited, the Company's immediate parent company, of its intention to support financially the Company such that the Company can meet its obligations as they fall due for a period of at least twelve months from the date of the directors' approval of these accounts.

Auditors

The auditors, PricewaterhouseCoopers LLP, have expressed their willingness to continue in office, and a resolution for their re-appointment will be proposed at the next Annual General Meeting.

By order of the Board



C Whorton
Secretary
08 July 2008

Independent auditors' report to the members of CalorForce Limited

We have audited the financial statements of CalorForce Limited for the year ended 29 December 2007 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 29 December 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham

10 July 2008

CalorForce Limited

Profit and loss account for the year ended 29 December 2007

Continuing operations	Notes	2007 £000	2006 £000
Turnover	2	3,146	2,560
Cost of sales		(2,901)	(2,516)
Gross profit		245	44
Administrative expenses		(809)	(759)
Operating loss		(564)	(715)
Interest receivable and similar income	5	10	7
Interest payable and similar charges	6	(103)	(58)
Loss on ordinary activities before taxation	7	(657)	(766)
Tax credit on loss on ordinary activities	8	214	247
Loss for the financial year	17	(443)	(519)

The Company has no recognised gains and losses other than the loss above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the loss on ordinary activities before tax and the loss for the year stated above and their historical cost equivalents


The notes on pages 8 to 16 form part of these financial statements

CalorForce Limited

Balance sheet as at 29 December 2007

	Notes	2007 £000	2006 £000
Fixed assets			
Tangible assets	9	184	119
Current assets			
Stock	10	33	23
Debtors amounts falling due within one year	11	358	835
Cash at bank and in hand		106	300
Total current assets		497	1,158
Creditors amounts falling due within one year	12	(2,555)	(1,610)
Net current liabilities		(2,058)	(452)
Total assets less current liabilities		(1,874)	(333)
Creditors amounts falling due after more than one year	13	-	(1,100)
Provisions for liabilities	15	(9)	(7)
Net liabilities		(1,883)	(1,440)
Capital and reserves			
Called up share capital	16	150	150
Profit and loss reserve	17	(2,033)	(1,590)
Total shareholders' deficit	18	(1,883)	(1,440)

The financial statements on pages 6 to 16 were approved by the board of directors on 08 July 2008 and were signed on its behalf by


G Gyselinck
Director

CalorForce Limited

Notes to the financial statements for the year ended 29 December 2007

1 Accounting policies and basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention, in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom

Under s223 of the Companies Act 1985, the directors are required to draw up financial statements within 7 days of the Company's accounting reference date. The current year results relate to the 52 week trading year to 29 December 2007 and the prior period results relate to the 52 week trading year to 30 December 2006

Going concern

Notwithstanding the fact that the Company has net current liabilities and net liabilities, the Directors have prepared the accounts on the going concern basis. The Directors have received confirmation from Calor Gas Limited, the Company's immediate parent company, of its intention to support financially the Company such that the Company can meet its obligations as they fall due for a period of at least twelve months from the date of the Directors' approval of these accounts.

The principal accounting policies, which have been applied consistently, are set out below

Accounting policies

Stocks

Stocks are stated at the lower of cost and estimated net realisable value. Provision is made against slow moving and obsolete stocks.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation which is provided at rates calculated to write off each asset to its residual value over the term of its estimated useful economic life. Depreciation on plant and machinery and computer equipment is calculated on 120 month and 60 month straight line methods respectively.

Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities have not been discounted.

Leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

Pensions

The Company offers a defined contribution pension scheme. The assets are held separately from those of the Company in independently administered funds.

CalorForce Limited

Notes to the financial statements for the year ended 29 December 2007 (continued)

1 Accounting policies and basis of accounting (continued)

Cash flow statements

The Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996) as it is a wholly owned subsidiary of an EU parent that prepares consolidated financial statements

2 Turnover

Turnover arises solely from the installation and servicing of liquefied petroleum gas supply systems in the United Kingdom. Turnover represents services provided in respect of the sale and provision of services to customers in the year, excluding value added tax

3 Directors' emoluments

The Directors received no remuneration from the Company for their services (2006 £nil)

A Davis, G Gyselinck and J Kearney are directors of Calor Gas Limited, the Company's immediate parent company. Disclosure of the total emoluments of the directors of Calor Gas Limited is made in the financial statements of Calor Gas Limited

It is not possible to allocate the emoluments attributable to the Company

4 Employee information

The average monthly number of persons (excluding the Directors) employed by the Company during the year was

	2007 Number	2006 Number
Distribution	50	48
Administrative	14	10
	64	58
Staff costs (for the above persons)	2007 £000	2006 £000
Wages and salaries	1,912	1,665
Social security costs	206	182
Pension costs (note 19)	38	33
	2,156	1,880

CalorForce Limited

Notes to the financial statements for the year ended 29 December 2007 (continued)

5 Interest receivable and similar income

	2007	2006
	£000	£000
Interest received on bank deposits	10	7

6 Interest payable and similar charges

	2007	2006
	£000	£000
Interest payable on amounts due to parent undertaking	103	55
Interest payable on bank overdraft	-	3
	103	58

7 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging

	2007	2006
	£000	£000
Depreciation of tangible fixed assets	39	30
Operating lease charges other than plant and machinery	18	22
Hire of plant and machinery	12	3
Hire of other	291	255
Auditors' fees – in relation to audit services (inclusive of out of office expenses)	12	17

The Company has not contracted for any non audit services during the year (2006 £nil)

Operating lease charges relate to land and buildings rented from the parent company Calor Gas Limited. The Company has no non cancellable commitments in relation to these land and buildings.

CalorForce Limited

Notes to the financial statements for the year ended 29 December 2007 (continued)

8 Tax credit on loss on ordinary activities

	2007	2006
	£000	£000
Current tax:		
UK corporation tax credit on loss for the year	201	230
Adjustment in respect of previous years	15	-
Total current tax credit	216	230
Deferred tax		
Origination and reversal of timing differences – current year	(3)	17
Restatement due to change in tax rate	1	-
Total deferred tax (charge)/credit (note 15)	(2)	17
Tax credit on loss on ordinary activities	214	247

The tax credit assessed for the year is higher than (2006 equal to) the standard rate of corporation tax in the UK (30%). The differences are explained below

	2007	2006
	£000	£000
Loss on ordinary activities before taxation	657	766
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 30%)	197	230
Effects of Accelerated capital allowances and other timing differences	4	17
Adjustments in respect of previous years	15	-
Other permanent differences	-	(17)
Current tax credit for year	216	230

Tax losses incurred in the year totalling £670k (2006 £765k) have been surrendered under group relief for which payment will be received. Corporation tax losses totalling £303k (2006 £303k) were carried forward at 29 December 2007.

The deferred tax asset in relation to the losses carried forward has not been recognised due to the uncertainty of the timing of quantum of future taxable profits, and hence there is sufficient uncertainty not to recognise this asset.

Post the Company's year end the standard rate of taxation has been reduced from 30% to 28%, which have taken effect from April 2008.

CalorForce Limited

Notes to the financial statements for the year ended 29 December 2007 (continued)

9 Tangible assets

	Plant and equipment	Computer equipment	Total
	£000	£000	£000
Cost			
At 31 December 2006	144	28	172
Additions	104	-	104
At 29 December 2007	248	28	276
Accumulated depreciation			
At 31 December 2006	(42)	(11)	(53)
Charge for the year	(34)	(5)	(39)
At 29 December 2007	(76)	(16)	(92)
Net book value			
At 29 December 2007	172	12	184
At 30 December 2006	102	17	119

10 Stocks

	2007	2006
	£000	£000
Raw materials and consumables	33	23

Stock comprises fittings and materials. There is no material difference between the value of stock and the replacement cost of stock as at 29 December 2007.

CalorForce Limited

Notes to the financial statements for the year ended 29 December 2007 (continued)

11 Debtors

Amounts falling due within one year.	2007 £000	2006 £000
Trade debtors	76	89
Other debtors	-	6
Amounts owed by group and parent undertakings	204	705
Other taxation and social security	8	3
Prepayments and accrued income	70	32
	358	835

Amounts owed by group undertakings are unsecured, consist of current trading balances and tax losses surrendered, bear no interest and have no fixed date for repayment

12 Creditors: amounts falling due within one year

	2007 £000	2006 £000
Trade creditors	127	53
Amounts owed to parent undertakings	2,361	1,475
Accruals and deferred income	67	82
	2,555	1,610

Amounts owed to the parent company includes an amount owed to Calor Gas Limited of £1,575k which is unsecured and carries an interest charge of Lloyds TSB base rate plus 1% per annum. The remaining amount is unsecured, consists of current trading balances, bears no interest and has no fixed date for repayment

13 Creditors: amounts falling due after more than one year

	2007 £000	2006 £000
Amounts owed to parent undertaking (note 14)	-	1,100

CalorForce Limited

Notes to the financial statements for the year ended 29 December 2007 (continued)

14 Loans and other borrowings

Shareholders' loans at 29 December 2007 consist of five tranches. All tranches are unsecured and are subject to interest at Lloyds TSB base rate plus 1%.

	2007	2006
	£000	£000
Maturity of debt		
In less than one year	1,575	475
In more than one year, but not more than two years	-	1,100
	1,575	1,575

15 Provisions for liabilities

	Deferred tax provision
	£000
Balance at 31 December 2006	7
Charged to profit and loss account (note 8)	2
Balance at 29 December 2007	9

Deferred tax

The provision for deferred tax may be analysed as follows:

	2007	2006
	£000	£000
Accelerated capital allowances	9	7

CalorForce Limited

Notes to the financial statements for the year ended 29 December 2007 (continued)

16 Called up share capital

	2007 £000	2006 £000
Authorised		
Ordinary shares of £1 each	1,000	1,000
Allotted and fully paid		
74,998 "A" ordinary shares of £1 each	75	75
75,000 "B" ordinary shares of £1 each	75	75
	150	150

17 Profit and loss reserve

	£000
As at 31 December 2006	(1,590)
Loss for the financial year	(443)
As at 29 December 2007	(2,033)

18 Reconciliation of movements in shareholders' deficit

	2007 £000	2006 £000
Loss for the financial year	(443)	(519)
Opening shareholders' deficit	(1,440)	(921)
Closing shareholders' deficit	(1,883)	(1,440)

19 Pension commitments

Defined contribution scheme

The cost of contributions to the defined contribution scheme amounts to £38k (2006 £33k)

CalorForce Limited

Notes to the financial statements for the year ended 29 December 2007 (continued)

20 Related party transactions

The results of the Company are included in the consolidated accounts of its ultimate parent company, SHV Holdings NV. Consequently, the Company is exempt under the terms of Financial Reporting Standard No. 8 from disclosing details of transactions with SHV Holdings NV or other entities of the SHV Holdings NV group of companies.

21 Ultimate parent company and controlling party

In the opinion of the directors, the ultimate parent company and controlling party is SHV Holdings NV, a private company incorporated in The Netherlands, which is the smallest and largest group to prepare consolidated statements incorporating the results of the Company. Copies of the group accounts for SHV Holdings NV may be obtained from the Company Secretary, SHV Holdings NV, Rijnkade 1, 3511 LC, Utrecht, The Netherlands.

The immediate parent company of the Company is Calor Gas Limited.

22 Post balance sheets events

On 8 July 2008 the Company took out a further loan with its parent company, Calor Gas Limited, for £1,500k. This loan is due to be repaid on 1 June 2009.

The repayment dates for all other loans with Calor Gas Limited, totalling £1,575k, was extended to 1 June 2009.