

Edgar Filing: ENERGY POWER SYSTEMS LTD - Form 6-K

ENERGY POWER SYSTEMS LTD

Form 6-K

May 15, 2003

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13A-16 OR 15D-16 UNDER THE  
SECURITIES EXCHANGE ACT OF 1934

For the month of March, 2003

Commission File Number 0-29586

EnerNorth industries inc.  
(FORMERLY: ENERGY POWER SYSTEMS LIMITED)

-----  
(Address of Principal executive offices)

2 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 1L6, Canada

-----  
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports  
under cover of Form 20-F or Form 40-F:

Form 20-F  Form 40-F   
-----

Indicate by check mark if the registrant is submitting the Form 6-K in paper as  
permitted by Regulation S-T Rule 101(b)(7):

Yes  No   
-----

Indicate by check mark whether the registrant by furnishing the information  
contained in this Form is also thereby furnishing the information to the  
Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes  No   
-----

If "Yes" is marked, indicate below the file number assigned to the registrant  
in connection with Rule 12g3-2(b):

82- \_\_\_\_\_

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the  
registrant has duly caused this report to be signed on its behalf by the  
undersigned, thereunto duly authorized.

EnerNorth industries inc.  
(formerly: Energy Power Systems Limited)

Date: May 15, 2003

By: \_\_\_\_\_ "Sandra J. Hall" \_\_\_\_\_

-----

Edgar Filing: ENERGY POWER SYSTEMS LTD - Form 6-K

Sandra J. Hall,  
President, Secretary & Director

EnerNorth Industries Inc.  
(Formerly Energy Power Systems Limited)

Consolidated Financial Statements  
March 31, 2003  
(Unaudited)  
(Expressed in Canadian Dollars)

ENERNORTH INDUSTRIES INC.  
CONSOLIDATED BALANCE SHEETS  
(EXPRESSED IN CANADIAN DOLLARS)

	MARCH 31, 2003	JUNE 30, 2002
	(UNAUDITED)	(AUDITED)
ASSETS		
Current		
Cash	\$5,363,439	\$5,610,621
Marketable securities	185,111	
283,800		
Receivables	3,028,200	5,218,201
Due from co-venturer	1,151,569	159,110
Inventories and work in progress	1,104,317	2,652,816
Prepaid expenses	159,022	59,618
Future income tax asset	61,473	61,473
-----	-----	-----
Total current assets	11,053,131	14,045,639
Oil and gas interests (net of accumulated depletion)	4,424,126	4,400,078
Capital assets (net of accumulated depreciation and amortization)	2,766,627	2,834,859
Investment	3,500,000	3,500,000
Future income tax asset	533,527	533,527
-----	-----	-----

Edgar Filing: ENERGY POWER SYSTEMS LTD - Form 6-K

	\$22,277,411	\$25,314,103
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Bank indebtedness	\$1,151,443	\$1,462,766
Accounts payable and accrued liabilities	1,466,273	4,022,114
Due to shareholders	312,419	628,346
Current portion of long-term debt	185,925	185,925
Future income tax liability	432,490	432,490
-----	-----	-----
Total current liabilities	3,548,550	6,731,641
Long-term debt	383,604	501,670
Future income tax liability	22,110	22,110
-----	-----	-----
Total liabilities	3,954,264	7,255,421
-----	-----	-----
Shareholders' equity		
Capital stock	43,339,132	42,096,732
Deficit (24,038,050)	(25,015,985)	
-----	-----	-----
Total shareholders' equity	\$18,323,147	\$18,058,682
	\$22,277,411	\$25,314,103
	=====	=====

The accompanying notes to the financial statements are an integral part of these financial statements

ENERNORTH INDUSTRIES INC.  
CONSOLIDATED STATEMENT OF LOSS AND DEFICIT  
(UNAUDITED)  
(EXPRESSED IN CANADIAN DOLLARS)

			FOR THE NINE
FOR THE THREE			MONTH PERIOD
MONTH PERIOD			ENDING MARCH 31
ENDING MARCH 31			2003
2003	2002		2002
-----	-----		-----
Sales			\$18,007,207
\$16,669,646	\$2,983,333	\$2,318,214	
Cost of sales (including depreciation and depletion of \$315,088;			

Edgar Filing: ENERGY POWER SYSTEMS LTD - Form 6-K

2002 - \$184,120)			15,653,176
14,435,648	2,573,261	1,962,292	
-----			
Gross profit			2,354,031
2,233,998	410,072	355,922	
-----			
Administrative expenses			3,262,392
2,428,079	1,255,540	1,217,500	
Amortization of goodwill			-
195,943	-	65,314	
Amortization of capital assets			60,544
100,053	20,217	18,414	
Interest and bank charges			117,056
55,317	37,417	12,741	
Interest on long-term debt			36,169
45,035	10,966	12,564	
-----			
			3,476,161
2,824,427	1,324,140	1,326,533	
-----			
Loss before the following			(1,122,130)
(590,429)	(914,068)	(970,611)	
Write down of asset held for sale			-
(231,251)	-	-	
Other income			144,195
661,335	42,389	649,631	
-----			
Net loss			(\$977,935)
(\$160,345)	(\$871,679)	(\$320,980)	
Deficit, beginning of period			(24,038,050)
(20,849,848)	(24,144,306)	(20,689,213)	
-----			
Deficit, end of period			(\$25,015,985)
(\$21,010,193)	(\$25,015,985)	(\$21,010,193)	
=====			
=====			
Net loss per Common Share			
Net loss per share			(\$0.21)
(\$0.06)	(\$0.19)	(\$0.12)	
Weighted average common shares			
outstanding (thousands)			4,649
2,661	4,649	2,661	
Fully Diluted net loss per Common Share			
Net loss per share			Antidilutive
Antidilutive	Antidilutive	Antidilutive	

Edgar Filing: ENERGY POWER SYSTEMS LTD - Form 6-K

The accompanying notes to the financial statements are an integral part of these financial statements

ENERNORTH INDUSTRIES INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(UNAUDITED)  
(EXPRESSED IN CANADIAN DOLLARS)

THE THREE MONTH PERIOD ENDING MARCH 31		FOR THE NINE MONTH PERIOD		FOR
		ENDING MARCH 31		
2003	2002	2003	2002	
Cash flows provided by (used in)				
Operating activities				
Net loss		(\$977,935)	(\$160,345)	
(\$871,679)	(\$320,980)			
Adjustments to reconcile net loss to net cash provided by operating activities				
Amortization of goodwill		-	195,943	
-	65,314			
Amortization and depletion		375,632	288,556	
127,116	81,248			
(Gain) loss on sale of capital assets		-	(7,703)	
-	551			
Write down of marketable securities		-	83,181	
-	-			
Gain on sale of marketable securities		(61,165)	-	
(970)	-			
Write down of inactive capital assets		-	231,251	
-	-			
Future income taxes, net		-	(749)	
-	-			
		(663,468)	630,134	
(745,533)	(173,867)			
Net change in non-cash working capital				
Receivables		2,190,001	951,518	
3,287,990	3,162,214			
Inventories and work in progress		1,548,499	(424,234)	
38,758	437,964			

Edgar Filing: ENERGY POWER SYSTEMS LTD - Form 6-K

Prepaid expenses	(99,404)	(36,928)
(45,459) 1,264		
Accounts payable and accrued liabilities	(2,555,841)	(1,586,632)
(1,930,513) (2,547,423)		
-----	-----	-----
	419,787	(466,142)
605,243 880,152		
-----	-----	-----
-----		
Financing activities		
Bank indebtedness	(311,323)	152,332
(827,158) 73,246		
Long term debt, net	(142,507)	(165,133)
(47,133) (51,372)		
Repayment to shareholders	(315,927)	(884,099)
(2,581) (550,584)		
Issue of common shares	1,242,400	9,596,471
(745) 3,617,860		
-----	-----	-----
-----	472,643	8,699,571
(877,617) 3,089,150		
-----	-----	-----
-----		
Investing activities		
Purchase of capital assets	(102,295)	(96,253)
(53,285) (7,263)		
Proceeds from sale of capital assets	-	21,700
- 9,700		
Oil and gas interests	(204,712)	(2,680,215)
(166,407) (1,671,076)		
Due from co-venturer	(992,459)	25,257
(31,356) 373,926		
Marketable securities	159,854	(180,744)
(17,103) 45,144		
-----	-----	-----
-----	(1,139,612)	(2,910,255)
(268,151) (1,249,569)		
-----	-----	-----
-----		
Net (decrease) increase in cash	(247,182)	5,323,174
(540,525) 2,719,733		
Cash, beginning of period	5,610,621	1,242,621
5,903,964 3,846,062		
-----	-----	-----
-----	\$5,363,439	\$6,565,795
Cash, end of period		
\$5,363,439 \$6,565,795		
=====	=====	=====
=====		
Cash, end of period consists of:		
Cash	\$1,624,160	\$6,565,795
\$1,676,704 \$6,565,795		
Money market funds	\$3,739,279	\$0
\$3,739,279 \$0		

Edgar Filing: ENERGY POWER SYSTEMS LTD - Form 6-K

The accompanying notes to the financial statements are an integral part of these financial statements

ENERNORTH INDUSTRIES INC.  
 CONSOLIDATED STATEMENTS OF SEGMENTED INFORMATION  
 (UNAUDITED) (EXPRESSED IN CANADIAN DOLLARS)

FOR THE NINE MONTHS ENDING MARCH 31, 2003

Corporate	Total	Industrial & Offshore	Oil & Gas
Revenue		17,534,660	472,547
- 18,007,207			
Interest expense		149,505	-
3,720 153,225			
Amortization and depletion		194,968	180,664
- 375,632			
Net earnings (loss)		147,947	41,759
(1,167,641) (977,935)			
Capital assets and oil and gas interests		2,766,627	4,424,126
- 7,190,753			

FOR THE NINE MONTHS ENDING MARCH 31, 2002

Corporate	Total	Industrial & Offshore	Oil & Gas
Revenue		16,268,041	401,605
- 16,669,646			
Interest expense		95,916	-
4,436 100,352			
Amortization and depletion		441,437	43,062
- 484,499			
Net earnings		(67,071)	106,670

Edgar Filing: ENERGY POWER SYSTEMS LTD - Form 6-K

(132,155) (92,556)

Capital assets and oil and gas interests		2,721,386	4,654,646
- 7,376,032			

FOR THE THREE MONTH PERIOD ENDING MARCH 31, 2003

Corporate	Total	Industrial & Offshore	Oil & Gas
-----	-----	-----	-----
Revenue		2,775,600	207,733
- 2,983,333			
Interest expense		47,556	-
827 48,383			
Amortization and depletion		67,123	59,993
- 127,116			
Net earnings (loss)		(451,465)	68,416
(488,630) (871,679)			

FOR THE THREE MONTH PERIOD ENDING MARCH 31, 2002

Corporate	Total	Industrial & Offshore	Oil & Gas
-----	-----	-----	-----
Revenue		2,168,316	149,898
- 2,318,214			
Interest expense		25,154	-
151 25,305			
Amortization and depletion		132,208	14,354
- 146,562			
Net earnings		(293,482)	40,529
(238) (253,191)			

The accompanying notes to the financial statements are an integral part of these financial statements

ENERNORTH INDUSTRIES INC.



# Edgar Filing: ENERGY POWER SYSTEMS LTD - Form 6-K

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE NINE MONTH PERIOD ENDING MARCH 31, 2003

-----  
(EXPRESSED IN CANADIAN DOLLARS)

## 1. BASIS OF PRESENTATION

These unaudited interim consolidated financial statements have been prepared by management following the same accounting policies and methods of computation as the audited consolidated financial statements for the year ended June 30, 2002. These interim financial statements should be read in conjunction with the Company's audited consolidated financial statements together with notes for the year ended June 30, 2002. The unaudited consolidated financial results for the nine month period ending March 31, 2003 and 2002 include the accounts of the Company and its wholly owned subsidiary M&M Engineering Limited, a Newfoundland and Labrador company, and M&M's wholly-owned subsidiary M&M Offshore Limited, a Newfoundland and Labrador company. Operating results for the nine months ended March 31, 2003 are not indicative of the results that may be expected for the full year ending June 30, 2003.

## 2. SEGMENTED INFORMATION

The Company's operations are separated into two distinct segments; the Industrial & Offshore Division, consisting of the consolidated operations of M&M Engineering Limited, a wholly owned subsidiary, and the Oil & Gas Division performing oil and gas exploration and production. M&M is an industrial contracting company performing fabrication and installation of process piping, installation of production equipment, steel tank erection, specialized welding services and industrial maintenance. Results for the nine month period and three month period ending March 31, 2003 and March 31, 2002 are presented in the Consolidated Statement of Segmented Information.

## 3. COMPARATIVE FIGURES

The comparative financial statements have been reclassified from financial statements previously presented to conform to the presentation in the June 30, 2002 audited consolidated financial statements.

## 4. SHARE CAPITAL

### (a) Authorized and Issued:

#### Authorized:

-----

Unlimited number of Common Shares, without par value  
Unlimited number of Class A Preference Shares, Series I  
Unlimited number of Class A Preference Shares, Series II

#### Issued

-----

Common shares

	#	Consideration
-----		
Balance, as at June 30, 2002	10,578,645	\$ 42,096,732
Issued pursuant to private placement	1,600,000	1,242,400
Share consolidation	(8,119,636)	-
Balance, as at March 31, 2003	4,059,009	\$ 43,339,132

Edgar Filing: ENERGY POWER SYSTEMS LTD - Form 6-K

(b) Common share purchase warrants outstanding consist of the following:

EXERCISE PRICE	EXPIRY DATE	2003 #	2002 #
\$28.80	October 4, 2002	-	32,000
US\$ 13.35	May 9, 2002	-	11,667
US\$ 13.35	May 16, 2002	-	11,667
US\$ 13.35	March 13, 2003	-	13,333
US\$ 1.80	December 31, 2004	533,332	-
		533,332	68,667

(c) Common share purchase options outstanding consist of the following:

EXERCISE PRICE	EXPIRY DATE	HOLDER	2002 #	2001 #
\$12.00	June 14, 2005	Consultant	7,000	7,000
\$18.90	January 8, 2006	Directors and employees	91,333	107,500
			98,333	114,500

-4 -

-1-  
CERTIFICATION

I, Sandra J. Hall, President, certify that:

- I have reviewed the unaudited Interim Consolidated Financial Statements for the nine-month period ended March 31, 2003 of EnerNorth Industries Inc. (formerly: Energy Power Systems Limited);
- Based on my knowledge, this report does not contain any untrue statement

Edgar Filing: ENERGY POWER SYSTEMS LTD - Form 6-K

of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures and internal controls and procedures for financial reporting (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal controls and procedures for financial reporting, or caused such internal controls and procedures for financial reporting to be designed under their supervision, to provide reasonable assurances that the registrant's financial statements are fairly presented in conformity with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and internal controls and procedures for financial reporting as of the end of the period covered by this report ("Evaluation Date");

d) Presented in this report our conclusions about the effectiveness of the disclosure controls and procedures and internal controls and procedures for financial reporting based on our evaluation as of the Evaluation Date;

e) Disclosed to the registrant's audit committee of the board of directors (or persons fulfilling the equivalent function):

(i) All significant deficiencies and material weaknesses in the design or operation of internal controls and procedures for financial reporting which could adversely affect the registrant's ability to record, process, summarize and report financial information required to be disclosed by the registrant in the reports that it files or submits under the Act (15 U.S.C. 78a et seq.), within the time periods specified in the U.S. Securities and Exchange Commission's rules and forms; and

(ii) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls and procedures for financial reporting; and

f) Indicated in this report any significant changes in the registrant's internal controls and procedures for financial reporting or in other factors that could significantly affect internal controls and procedures for financial reporting made during the period covered by this report, including any actions taken to correct significant deficiencies and material weaknesses in the registrant's internal controls and procedures for financial reporting.

Date: May 15, 2003  
-----

"Sandra J. Hall"

Edgar Filing: ENERGY POWER SYSTEMS LTD - Form 6-K

-----  
Sandra J. Hall  
President

CERTIFICATION

I, Scott T. Hargreaves, Chief Financial Officer, President, certify that:

1. I have reviewed the unaudited Interim Consolidated Financial Statements for the nine-month period ended March 31, 2003 of EnerNorth Industries Inc. (formerly: Energy Power Systems Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures and internal controls and procedures for financial reporting (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal controls and procedures for financial reporting, or caused such internal controls and procedures for financial reporting to be designed under their supervision, to provide reasonable assurances that the registrant's financial statements are fairly presented in conformity with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and internal controls and procedures for financial reporting as of the end of the period covered by this report ("Evaluation Date");

d) Presented in this report our conclusions about the effectiveness of the disclosure controls and procedures and internal controls and procedures for financial reporting based on our evaluation as of the Evaluation Date;

e) Disclosed to the registrant's audit committee of the board of directors (or persons fulfilling the equivalent function):

(i) All significant deficiencies and material weaknesses in the design or operation of internal controls and procedures for financial reporting which could adversely affect the registrant's ability to record, process, summarize and report financial information required to be disclosed by the registrant in the reports that it files or submits under the Act (15 U.S.C. 78a et seq.), within the time periods specified in the U.S. Securities and Exchange Commission's rules and forms; and

(ii) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls and procedures for financial reporting; and

Edgar Filing: ENERGY POWER SYSTEMS LTD - Form 6-K

f) Indicated in this report any significant changes in the registrant's internal controls and procedures for financial reporting or in other factors that could significantly affect internal controls and procedures for financial reporting made during the period covered by this report, including any actions taken to correct significant deficiencies and material weaknesses in the registrant's internal controls and procedures for financial reporting.

Date: May 15, 2003  
-----

"Scott T. Hargreaves"  
-----

Scott T. Hargreaves  
Chief Financial Officer