

ENERNORTH INDUSTRIES INC  
Form 20-F  
October 20, 2004

As filed with the Securities and Exchange Commission on October 19, 2004

**United States  
Securities and Exchange Commission  
Washington, D.C. 20549**

**Form 20-F**

(Mark One)

- Registration Statement pursuant to Section 12(b) or (g) of The Securities Exchange Act of 1934
- Annual Report pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

For the fiscal year ended June 30, 2004

- Transition Report pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 0-29586

**EnerNorth Industries Inc.**

(Exact name of registrant as specified in this charter)

**Province of Ontario, Canada**

(Jurisdiction of incorporation or organization)

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

(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

None

Securities registered or to be registered pursuant to Section 12(g) of the Act:

**Common Shares, no par value**

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of

the period covered by the Annual Report:

**4,059,009 Common Shares as of September 20, 2004**

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No  Inapplicable

Indicate by check mark which financial statement item the registrant has elected to follow:

Item 17  Item 18

(Applicable only to Issuers involved in bankruptcy proceedings during the past five years)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court:

Yes  No  Inapplicable

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**EnerNorth Industries inc.  
Form 20-F Annual Report  
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## **PART I**

### **Forward-Looking Statements**

Certain statements contained in this Annual Report constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "*Reform Act*"), which reflect the Company's current expectations regarding the future results of operations, performance and achievements of the Company. The Company has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as "anticipate," "believe," "estimate," "expect" and similar expressions. These statements reflect the current beliefs of management of the Company, and are based on current available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors which could cause the actual results, performance or achievements of the Company to differ materially from those expressed in, or implied by, these statements. (See, in general, "*Item 3D. Key Information Risk Factors*" below.) The Company is not obligated to update or revise these

"forward-looking" statements to reflect new events or circumstances.

### ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS

Not applicable. Information on directors, senior management and employees is contained in Item 6 of this report.

### ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable. This Form 20-F is being filed as an Annual Report under the Exchange Act.

### ITEM 3. KEY INFORMATION

As this Form 20-F is an Annual Report filed under the Exchange Act only Items 3A and 3D are applicable.

#### A. SELECTED FINANCIAL DATA

The following table sets forth selected consolidated financial data of EnerNorth Industries Inc. (formerly Energy Power Systems Limited) ("*EnerNorth*" or the "*Company*") for its twelve-month fiscal periods ended June 30, 2000, June 30, 2001, June 30, 2002, June 30, 2003 and June 30, 2004, and are presented pursuant to Canadian Generally Accepted Accounting Principles ("*Canadian GAAP*").

The selected consolidated statement of operations data set forth below are for the twelve-month fiscal periods ended June 30, 2000, June 30, 2001, June 30, 2002, June 30, 2003 and June 30, 2004, and the selected consolidated balance sheet data set forth below are as of June 30, 2000 through June 30, 2004. The June 30, 2000, June 30, 2001, June 30, 2002, June 30, 2003 and June 30, 2004 statement of operations data and June 30, 2000, June 30, 2001, June 30, 2002, June 30, 2003 and June 30, 2004 balance sheet data are derived from the consolidated financial statements of the Company, which have been audited by BDO Dunwoody LLP, Chartered Accountants. The consolidated balance sheet data set forth below at June 30, 2000, June 30, 2001 and June 30, 2002 and operations data for the years ended June 30, 2000 and June 30, 2001 are derived from audited financial statements not included elsewhere in this Annual Report.

The selected financial data should be read in conjunction with the consolidated financial statements of the Company for the years ended June 30, 2004, June 30, 2003 and June 30, 2002 included elsewhere in this Annual Report and with "*Item 5 - Operating and Financial Review and Prospects*" below.

**EnerNorth Industries Inc.**  
**Presented Pursuant to Canadian Generally Accepted Accounting Principles**  
**(Canadian \$000s, Except % Items and Per Share Data)**

	2000	As of and for the Twelve Month Period Ended June 30,			2004
		2001	2002	2003	
(Audited)					
<b>Statement of Operations Data:</b>					
Revenue Industrial & Offshore Division (1)	\$ 18,924	\$ 18,770	\$ 21,562	\$ 25,389	\$ 33,406
Revenue Oil & Gas Division(1)	-	314	448	580	660
Total Revenue	18,924	19,084	22,010	25,969	34,066
Cost of revenue Industrial & Offshore Division(1)	15,128	16,420	18,400	21,660	27,749
	-	151	637	696	751

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Cost of revenue	Oil and Gas					
Division(1)						
Total cost of revenue		15,128	16,571	19,037	22,356	28,500
Gross profit	Industrial & Offshore					
Division(1)		3,796	2,350	3,162	3,729	5,657
Gross profit	Oil & Gas Division(1)	-	163	(189)	(116)	(91)
Total gross profit		3,796	2,513	2,973	3,613	5,566
Income (loss) from operations before						
minority interest and income tax		(892)	(1,966)	(428)	(7,511)	(2,143)
Interest expense		214	257	136	274	173
Gain on sale of marketable securities		-	-	22	96	15
Interest income		-	-	5	88	187
Net loss from continuing operations						
before minority interest and income						
taxes		(1,106)	(2,223)	(537)	(7,601)	(2,114)
Income taxes (benefit)		331	(1,248)	594	446	29
Net loss from continuing operations						
before minority interest		(1,437)	(975)	(1,131)	(8,047)	(2,143)
Minority interest		-	-	-	-	75
Net loss from continuing operations		(1,437)	(975)	(1,131)	(8,047)	(2,218)
Loss from discontinued						
operations(3)		(1,251)	(2,660)	-	-	-
Net loss		(2,688)	(3,635)	(1,131)	(8,047)	(2,218)
Weighted average common shares						
outstanding(2)		1,045	1,419	2,213	3,806	4,059
Net loss from continuing Operations						
per share		\$ (1.37)	\$ (0.69)	\$ (0.51)	\$ (2.11)	\$ (0.55)
Net loss per share		\$ (2.57)	\$ (2.56)	\$ (0.51)	\$ (2.11)	\$ (0.55)

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As of and for the  
Twelve Month Period Ended June 30,  
2000      2001      2002      2003      2004  
(Audited)

Other Financial Data:

Cash flows provided by (used in)					
Operating activities	(2,529)	(1,313)	(2,021)	622	(3,053)
Investing activities	6,597	1,150	(2,999)	(897)	(2,661)
Financing activities	(2,534)	(365)	9,387	1,394	(415)
Purchase of capital assets for cash	181	214	163	473	156
Purchase of oil and gas properties for cash	-	1,728	2,759	355	1,740
	20%	13%	15%	15%	17%

Gross profit margin - Industrial & Offshore Division

Gross profit margin - Oil & Gas Division	-	52%	(42%)	(20%)	(14%)
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Balance Sheet Information:

Working capital (deficiency)	\$(1,925)	\$4,205	\$7,314	\$777	\$815
Total assets	23,511	19,050	25,415	28,835	23,263
Due to shareholders, less current portion	1,842	350	-	-	-
Total long-term debt, less current portion	738	646	502	528	542
Non-controlling interest	-	-	-	-	75
Shareholders' equity	12,107	11,357	18,059	11,254	7,090

- (1) Divisional information is presented based on the operations of the subsidiaries within the division. Head office expenses are presented separately.
- (2) Adjusted for a four-for-one share consolidation effective February 2, 2001, and a three-for-one share consolidation effective February 11, 2003.
- (3) During fiscal 2001 the Company discontinued efforts to act as a developer of independent power projects. As a result, the Power Division has been treated as discontinued operations for accounting purposes, and prior years' statements of operations have been restated.

During fiscal 2000 the Company disposed of its interest in Merlin Engineering and suspended the operations of Atlantic Seaboard Holdings Inc. The activities of these subsidiaries have been treated as discontinued operations for accounting purposes. As a result, prior years' statements of operations have been restated.

- (4) Selected Financial Data should be read in conjunction with "Item 5 - Operating and Financial Review and Prospects - Critical Accounting Principles and Critical Accounting Estimates" below.

The following table sets forth selected consolidated financial data of the Company as set forth in the preceding table, as reconciled pursuant to United States Generally Accepted Accounting Principles as allowed by Item 17/18 of Form 20F:

**EnerNorth Industries Inc.**  
**Presented Pursuant to United States Generally Accepted Accounting Principles**  
**(Canadian \$000s, Except % Items and Per Share Data)**

	As of and for the Twelve Month Period Ended June 30,				
2000	2001	2002	2003	2004	
		(Audited)			

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Statement of Operations Data:

Revenue	Industrial & Offshore							
Division (1)		\$ 18,924	\$ 18,770	\$ 21,562	\$ 25,389	\$ 33,406		
Revenue	Oil & Gas Division(1)	-	314	448	580	660		
Total revenue		18,924	19,084	22,010	25,969	34,066		
Cost of revenue	Industrial &							
Offshore Division(1)		15,128	16,420	18,400	21,660	27,749		
Cost of revenue	Oil and Gas							
Division(1)		-	151	1,681	696	1,908		
Total cost of revenue		15,128	16,571	20,081	22,356	29,657		
Gross profit	Industrial & Offshore							
Division(1)		3,796	2,350	3,162	3,729	5,657		
Gross profit	Oil & Gas Division(1)	-	163	(1,233)	(116)	(1,248)		
Total gross profit		3,796	2,513	1,929	3,613	4,409		
Income (loss) from operations		(892)	(2,170)	(1,583)	(7,511)	(3,300)		
Interest expense		563	436	291	274	173		
Gain (loss) on sale of marketable securities		-	-	22	96	15		
Interest income		-	-	5	88	187		
Net loss from continuing operations before minority interest and income taxes		(1,455)	(2,606)	(1,847)	(7,601)	(3,271)		
Income taxes (benefit)		331	(1,248)	594	446	29		
Net loss from continuing operations before minority interest		(1,786)	(1,358)	(2,441)	(8,047)	(3,300)		
Minority interest		-	-	-	-	75		
Net loss from continuing operations								