

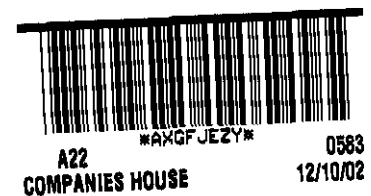
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Power Panels Electrical Systems Limited

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 January 2002

Muras Baker Jones & Co  
Chartered Accountants  
Wolverhampton



Power Panels Electrical Systems Limited

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31 January 2002

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Power Panels Electrical Systems Limited

COMPANY INFORMATION

31 January 2002

DIRECTORS:

D W Fox  
Mrs S A Fox  
A Hague  
I Watton

COMPANY SECRETARY:

Mrs S A Fox

REGISTERED OFFICE:

Landywood Green  
Cheslyn Hay  
Staffs  
WS6 7AL

REGISTERED NUMBER:

01398551

AUDITORS:

Muras Baker Jones & Co  
Regent House  
Bath Avenue  
Wolverhampton  
WV1 4EG

BANKERS:

Lloyds TSB Bank plc  
Queen Square  
Wolverhampton  
WV1 1UE

# Power Panels Electrical Systems Limited

## REPORT OF THE DIRECTORS

The Directors present their Report together with the Financial Statements for the year ended 31 January 2002.

### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of the company is the manufacture of electrical control panels and distribution switch boards.

The Directors are pleased to report an increase in profit before tax for the year to £248,182 (2001-£112,204). Both the level of business and year end financial position were satisfactory and the Directors expect that the level of turnover and profitability will increase during the current year.

### RESULTS AND DIVIDENDS

The results of the company for the year are set out in the Financial Statements.

An interim dividend of £13.33 per share was paid on 22 April 2002 (2001-No interim dividend).

The Directors do not recommend the payment of a final dividend (2001-None). Accordingly the retained profit for the year of £62,307 has been transferred to the Profit and Loss Account Reserve.

### FIXED ASSETS

Changes in fixed assets are detailed in the Notes to the Financial Statements.

### DIRECTORS AND DIRECTORS' INTERESTS

The Directors set out below have held office during the whole of the period from 1 February 2001 to the date of this report unless otherwise stated.

In accordance with the Articles of Association A Hague and I Watton retire by rotation and being eligible offer themselves for re-election.

The interest of the Directors holding office at the beginning and end of the year in the shares of the company according to the Register of Directors' Interests were:

Ordinary shares of £1 each

D W Fox	5,000
Mrs S A Fox	5,000
A Hague (appointed 3 September 2001)	-
I Watton (appointed 3 September 2001)	-
D Walton (resigned 26 July 2001)	-

# Power Panels Electrical Systems Limited

## REPORT OF THE DIRECTORS - Continued

### DIRECTORS' RESPONSIBILITIES

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 profit or loss of the company for that period. In preparing those Financial statements the Directors are required to:

- φ select suitable accounting policies and then apply them consistently;
- φ make judgements and estimates that are reasonable and prudent;
- φ comply with applicable accounting standards subject to any material departures disclosed and explained in the Financial Statements;
- φ prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which 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.

### TAXATION STATUS

In the opinion of the Directors, the company is a close company as defined by the provisions of the Income and Corporation Taxes Act 1988.

### DONATIONS

During the year the company made donations for charitable purposes amounting to £2,442 (2001-£690).

### AUDITORS

Messrs Muras Baker Jones & Co have indicated their willingness to continue in office and a resolution to re-appoint them as Auditors will be proposed at the forthcoming Annual General Meeting.

APPROVED BY THE BOARD ON 30 SEPTEMBER 2002  
AND SIGNED ON ITS BEHALF BY



MRS S A FOX  
Company Secretary

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF POWER PANELS ELECTRICAL SYSTEMS LIMITED**

We have audited the Financial Statements of Power Panels Electrical Systems Limited for the year ended 31 January 2002, which are set out on pages 5 to 21. These Financial Statements have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

**Respective responsibilities of Directors and Auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards.

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

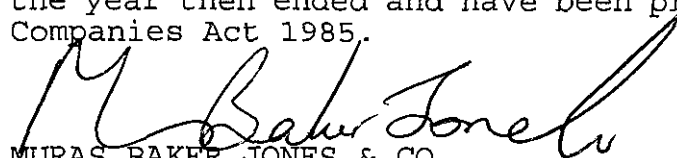
**Basis of audit opinion**

We conducted our audit in accordance with 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 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 of the state of the company's affairs as at 31 January 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MURAS BAKER JONES & CO  
CHARTERED ACCOUNTANTS  
and Registered Auditors  
Regent House  
Bath Avenue  
Wolverhampton  
WV1 4EG

30 September 2002

# Power Panels Electrical Systems Limited

## PROFIT AND LOSS ACCOUNT

For the year ended 31 January 2002

	Note	2002 £	2001 Restated £
TURNOVER	1(b)	5,785,155	5,938,155
Cost of sales		(4,496,660)	(4,845,850)
GROSS PROFIT		1,288,495	1,092,305
Distribution costs		(29,213)	(28,459)
Administrative expenses		(984,360)	(903,520)
OPERATING PROFIT		274,922	160,326
Interest receivable and similar income		34	162
Interest payable and similar charges	2	(26,774)	(48,284)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	248,182	112,204
Taxation charge on profit on ordinary activities	6	(52,542)	(24,385)
PROFIT FOR THE YEAR AFTER TAXATION		195,640	87,819
Dividends paid and proposed	7	(133,333)	-
RETAINED PROFIT FOR THE YEAR		62,307	87,819
RETAINED PROFITS AT BEGINNING OF YEAR AS PREVIOUSLY STATED		736,058	641,639
Prior period adjustment	15	(34,300)	(27,700)
As restated		701,758	613,939
RETAINED PROFITS AT END OF YEAR		764,065	701,758

### CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

### TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

# Power Panels Electrical Systems Limited

## BALANCE SHEET

At 31 January 2002

	Note	2002		2001 Restated	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		853,480		755,831
CURRENT ASSETS					
Stocks	9	378,833		501,891	
Debtors	10	754,268		986,088	
Cash at bank and in hand		1,688		54,596	
		<u>1,134,789</u>		<u>1,542,575</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	970,014		1,290,844	
NET CURRENT ASSETS			<u>164,775</u>		<u>251,731</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,018,255		1,007,562
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	12		(200,790)		(261,504)
PROVISION FOR LIABILITIES AND CHARGES	15		(43,400)		(34,300)
NET ASSETS			<u>774,065</u>		<u>711,758</u>
CAPITAL AND RESERVES					
Called up share capital	16		10,000		10,000
Profit and Loss Account			764,065		701,758
SHAREHOLDERS' FUNDS	17		<u>774,065</u>		<u>711,758</u>

APPROVED BY THE BOARD ON 30 SEPTEMBER 2002  
AND SIGNED ON ITS BEHALF BY



D W FOX  
DIRECTOR



# Power Panels Electrical Systems Limited

## CASH FLOW STATEMENT

For the year ended 31 January 2002

	Note	2002 £	2001 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	23	219,148	655,566
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received	34	162	
Interest paid	(24,935)	(43,736)	
Interest element of hire purchase and finance lease rental payments	(1,839)	(4,548)	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(26,740)	(48,122)
TAXATION			
UK corporation tax paid	(17,442)	-	
UK corporation tax received	-	1,215	
TAX (PAID)/RECEIVED		(17,442)	1,215
CAPITAL EXPENDITURE			
Purchase of tangible fixed assets	(191,664)	(71,879)	
Receipts from sale of tangible fixed assets	-	16,547	
NET CASH OUTFLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		(191,664)	(55,332)
NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(16,698)	553,327
FINANCING			
Debt due within a year:			
Repayment of secured bank loan	(47,186)	(41,491)	
Capital element of hire purchase and finance lease rental payments	(15,132)	(37,463)	
NET CASH (OUTFLOW) FROM FINANCING	25	(62,318)	(78,954)
(Decrease)/increase in cash	25	(79,016)	474,373

# Power Panels Electrical Systems Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2002

### 1. ACCOUNTING POLICIES

The Financial Statements have been prepared in accordance with applicable accounting standards.

#### a) ACCOUNTING CONVENTION

The Financial Statements have been prepared under the historical cost convention.

#### b) TURNOVER

Turnover represents the value of goods and services supplied exclusive of Value Added Tax.

#### c) DEPRECIATION

Depreciation is calculated to write off the cost or revalued amount less estimated residual value of fixed assets over their estimated useful lives. The depreciation charge for the year was based on the following rates:

Freehold property	2%	- on cost
Plant and equipment	5% or 25%	- on the original cost
Motor vehicles	25%	- on the reducing value

#### d) STOCKS AND WORK IN PROGRESS

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost is calculated using the first in first out method and consists of materials, direct labour costs and an appropriate proportion of production overheads.

#### e) 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 that they will be recovered. Deferred tax assets and liabilities are not discounted.

# Power Panels Electrical Systems Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2002

### 1. ACCOUNTING POLICIES - Continued

#### f) LEASES AND HIRE PURCHASE CONTRACTS

Assets held under finance leases and the related lease obligations are included at the fair value of the leased assets at the inception of the lease. Depreciation on leased assets is calculated to write off this amount on a straight line basis over the shorter of the lease term and the useful life of the asset.

Assets held under hire purchase contracts and the related obligations are initially included in the balance sheet at cost. Depreciation on such assets is calculated to write off the capitalised cost on a straight line or reducing balance basis over their estimated useful lives.

Rentals payable are apportioned between the finance charge and a reduction of the outstanding obligation for future amounts payable so that the charge for each accounting period is a constant percentage of the remaining balance of the capital sum outstanding.

#### g) OPERATING LEASES

Rentals payable under operating leases are charged on a straight line basis over the term of the lease.

#### h) PENSION COSTS

Contributions in respect of the company's defined contributions pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme.

#### i) FOREIGN EXCHANGE

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the Balance Sheet date. Any translation differences are dealt with through the Profit and Loss Account.

Power Panels Electrical Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2002

2. INTEREST PAYABLE AND SIMILAR CHARGES

	2002 £	2001 £
Bank loans and overdrafts and other loans wholly repayable within five years	3,933	16,062
Other loans	21,002	27,674
Finance charges on finance leases and hire purchase contracts	1,839	4,548
	<u>26,774</u>	<u>48,284</u>

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2002 £	2001 £
The profit on ordinary activities before taxation is stated after charging:		
Depreciation of owned tangible fixed assets	82,210	57,812
Depreciation of tangible fixed assets held under finance leases and hire purchase contracts	11,805	9,167
Loss on sale of tangible fixed assets	-	3,534
Auditors' remuneration	3,754	2,810
Hire of plant and machinery - operating leases	42,148	37,426
Redundancy/compensation costs to employees and former director	25,275	-
	<u>165,202</u>	<u>138,749</u>

Power Panels Electrical Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2002

4. STAFF COSTS

	2002 £	2001 £
Staff costs including Directors:		
Wages and salaries	1,775,977	1,864,561
Social security costs	149,216	162,106
Other pension costs	4,140	3,989
	<u>1,929,333</u>	<u>2,030,656</u>
	2002 Number	2001 Number
Average number of persons including Executive Directors employed by the company during the year:		
Management and administration	18	16
Production and selling	104	110
	<u>122</u>	<u>126</u>
Total employees		

5. DIRECTORS

	2002 £	2001 £
Emoluments (including benefits in kind)	264,282	307,798
Contributions to money purchase pension schemes	4,140	3,989
	<u>268,422</u>	<u>311,787</u>

During the year one Director accrued benefits under a money purchase pension scheme (2001-one).

Compensation for loss of office of £15,369 was paid to a former Director of the company.

# Power Panels Electrical Systems Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2002

### 5. DIRECTORS - CONTINUED

The emoluments of Directors disclosed above include amounts paid to the highest paid Director:

	2002 £	2001 £
Emoluments	158,302	159,752
Contributions to money purchase pension scheme	-	-
	<u>158,302</u>	<u>159,752</u>

### 6. TAXATION

	2002 £	2001 Restated £
Based on the results for the year:		
UK corporation tax charge at 20%	44,000	18,000
Overprovision in respect of prior year's corporation tax	(558)	(215)
	<u>43,442</u>	<u>17,785</u>
Deferred tax charge	9,100	6,600
	<u>52,542</u>	<u>24,385</u>

The adoption of FRS19 has required a change in the method of accounting for deferred tax. As a result, the comparative figure for the tax on profit on ordinary activities for 2001 has been restated from the previously reported amount of £17,785 to £24,385. The impact of adopting FRS19 on the 2002 results is an increase to the tax charge of £9,100.

# Power Panels Electrical Systems Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2002

### 6. TAXATION - CONTINUED

The small company rate of tax for the year is 20%. The actual corporation tax charge for the current and the previous years was less than the small company's rate for the reasons set out in the following reconciliation.

	2002 £	2001 £
Profit on ordinary activities before tax	248,182	112,204
Tax on profit on ordinary activities at small company rate	49,636	22,441
Factors affecting charge for the year:		
Capital allowances for year in excess of depreciation	(7,710)	(4,337)
Expenses not deductible for tax purposes	2,053	852
Adjustment in respect of prior year	(558)	(215)
Other timing differences - finance leases	-	(1,514)
Rounding provision	21	558
	43,442	17,785

### 7. DIVIDENDS

	2002 £	2001 £
Interim dividend of £13.33 per share (2001-Nil)	133,333	-

# Power Panels Electrical Systems Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2002

### 8. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and equipment £	Vehicles £	Total £
COST OR VALUATION				
At 1 February 2001	672,191	289,254	51,701	1,013,146
Additions	-	143,751	47,913	191,664
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 January 2002	672,191	433,005	99,614	1,204,810
	<hr/>	<hr/>	<hr/>	<hr/>
ACCUMULATED DEPRECIATION				
At 1 February 2001	64,950	169,771	22,594	257,315
Charge for the year	13,440	66,767	13,808	94,015
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 January 2002	78,390	236,538	36,402	351,330
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUES				
At 31 January 2001	607,241	119,483	29,107	755,831
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 January 2002	593,801	196,467	63,212	853,480
	<hr/>	<hr/>	<hr/>	<hr/>

Included above are the following amounts relating to assets held at the balance sheet date under finance leases and hire purchase contracts.

	Cost £	Accumulated depreciation £	Net book value £
Motor vehicles	22,001	7,218	14,783
Plant and equipment	27,508	21,086	6,422
	<hr/>	<hr/>	<hr/>

### 9. STOCKS AND WORK IN PROGRESS

	2002 £	2001 £
Raw materials and consumables	97,015	148,415
Work in progress	281,818	353,476
	<hr/>	<hr/>
	378,833	501,891
	<hr/>	<hr/>



# Power Panels Electrical Systems Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2002

### 9. STOCKS AND WORK IN PROGRESS - CONTINUED

The Directors do not consider that the current replacement cost of stocks is materially different from that shown in the Balance Sheet.

The company held £47,971 of consignment stock at 31 January 2002 which is not recognised in the balance sheet. The company can return any or all of the stock to the suppliers without financial or commercial penalties.

### 10. DEBTORS

	2002 £	2001 £
Trade debtors	741,463	968,030
Prepayments and accrued income	12,805	18,058
	<hr/>	<hr/>
	754,268	986,088
	<hr/>	<hr/>

### 11. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Bank loans and overdrafts	78,409	46,448
Obligations under finance leases and hire purchase contracts	7,675	15,132
Trade creditors	539,798	944,100
Corporation tax	44,000	18,000
Other taxation and social security costs	144,255	172,037
Other creditors	13,181	39,411
Accruals and deferred income	8,362	7,716
Directors loan accounts	1,001	48,000
Dividend	133,333	-
	<hr/>	<hr/>
	970,014	1,290,844
	<hr/>	<hr/>

The directors loan accounts are interest free and repayable on demand.

# Power Panels Electrical Systems Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2002

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

	2002 £	2001 £
Bank loans	196,471	249,510
Obligations under finance leases and hire purchase contracts	4,319	11,994
	<u>200,790</u>	<u>261,504</u>

### 13. BANK LOANS AND OVERDRAFTS

The bank borrowings are secured by a debenture over all the assets of the company including a specific legal charge over the freehold property.

The bank overdraft (repayable on demand) amounted to £26,108 at 31 January 2002 (2001 £Nil).

	2002 £	2001 £
Analysis of bank loan maturity:		
a) Falling due within one year	<u>52,301</u>	<u>46,448</u>
b) Falling due after more than one year:		
Repayable between one and two years	55,943	50,679
Repayable between two and five years	140,528	181,458
Repayable after more than five years	-	17,373
	<u>196,471</u>	<u>249,510</u>

The bank loan is repayable by monthly instalments over the period ending May 2006.

Interest on the bank loan was charged at 2¼% above base rate. At the year end the rate was 6¼%.

# Power Panels Electrical Systems Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2002

### 14. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

Obligations under finance leases and hire purchase contracts are secured by related assets and bear finance charges at fixed commercial rates.

	2002 £	2001 £
Amounts payable:		
Within one year	7,675	15,132
Between one and two years	4,319	11,994
	<u>11,994</u>	<u>27,126</u>

### 15. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation	2002 £	2001 (As restated) £
Accelerated capital allowances:		
Balance brought forward (as previously stated)	-	-
Prior year adjustment	34,300	27,700
	<u>34,300</u>	<u>27,700</u>
Balance brought forward (as restated)	34,300	27,700
Deferred tax charge in Profit and Loss account for the year	9,100	6,600
	<u>43,400</u>	<u>34,300</u>
Balance at 31 January 2002	43,400	34,300

Following the introduction of FRS19 the company is required to make full provision in respect of deferred taxation. As a result of adopting FRS19, a prior year adjustment arises and the comparatives above have been amended accordingly, the amount provided at 31 January 2001 being increased by £34,300 of which £27,700 relates to prior years.

Power Panels Electrical Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2002

16. SHARE CAPITAL

	2002 £	2001 £
Ordinary shares of £1 each:		
Authorised	10,000	10,000
	<u>          </u>	<u>          </u>
Allotted, issued and fully paid	10,000	10,000
	<u>          </u>	<u>          </u>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 (As restated) £
Profit for the financial year after taxation	195,640	87,819
Dividends	(133,333)	-
	<u>          </u>	<u>          </u>
Increase in shareholders' funds	62,307	87,819
Shareholders' funds at beginning of year:		
As previously stated	746,058	651,639
Prior period adjustment	(34,300)	(27,700)
	<u>          </u>	<u>          </u>
	711,758	623,939
	<u>          </u>	<u>          </u>
Shareholders' funds at end of year	774,065	711,758
	<u>          </u>	<u>          </u>

18. PENSION COMMITMENTS

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge as detailed in note 4 represents contributions paid by the company to the fund.

# Power Panels Electrical Systems Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2002

### 19. CAPITAL COMMITMENTS

The company had no capital commitments at 31 January 2002 (2001 none).

### 20. OTHER FINANCIAL COMMITMENTS

At 31 January 2002 the company was committed to making the following payments during the next year in respect of operating leases.

	Other assets £
Leases which expire:	
Within one year	1,525
Within two to five years	10,233
	<hr/>
	11,758
	<hr/>

### 21. CONTINGENT LIABILITIES

The company had no contingent liabilities at 31 January 2002.

### 22. ULTIMATE CONTROL

The ultimate control of the company is detailed in the Directors' Report on page 2.

Power Panels Electrical Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2002

23. RECONCILIATION OF OPERATING PROFIT TO NET OPERATING CASHFLOW

	2002 £	2001 £
Operating profit	274,922	160,326
Depreciation charges	94,015	66,979
Loss on sale of tangible fixed assets	-	3,534
Decrease in stocks	123,058	45,361
Decrease in debtors	231,820	298,798
(Decrease)/increase in creditors	(504,667)	80,568
	<hr/>	<hr/>
Net cash inflow from operating activities	219,148	655,566
	<hr/>	<hr/>

24. RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET DEBT

	2002 £	2001 £
(Decrease)/increase in cash	(79,016)	474,373
Cash outflows from repayment of debt and lease financing	62,318	78,954
	<hr/>	<hr/>
Changes in net debt resulting from cashflows	(16,698)	553,327
New hire purchase and finance leases	-	(22,001)
	<hr/>	<hr/>
Movement in net debt in the year	(16,698)	531,326
Net debt at beginning of year	(268,488)	(799,814)
	<hr/>	<hr/>
Net debt at end of year (note 25)	(285,186)	(268,488)
	<hr/>	<hr/>

Power Panels Electrical Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2002

25. ANALYSIS OF CHANGES IN NET DEBT

	At 1.2.01 £	Cashflows £	Non-cash changes £	At 31.1.02 £
Cash at bank and in hand	54,596	(52,908)	-	1,688
Bank overdraft	-	(26,108)	-	(26,108)
	<u>54,596</u>	<u>(79,016)</u>	<u>-</u>	<u>(24,420)</u>
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Debt due after one year	(249,510)	-	53,039	(196,471)
Debt due within one year	(46,448)	47,186	(5)	
3,039)	(52,301)			
Finance lease and hire purchase obligations	(27,126)	15,132	-	(11,994)
	<u>(323,084)</u>	<u>62,318</u>	<u>-</u>	<u>(260,766)</u>
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	<u>(268,488)</u>	<u>(16,698)</u>	<u>-</u>	<u>(285,186)</u>
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