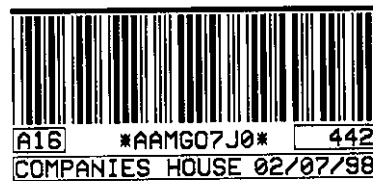


COMPANIES HOUSE  
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Power Panels Electrical Systems Limited  
REPORT AND FINANCIAL STATEMENTS  
For the year ended 31 January 1998



Muras Baker Jones & Co  
Chartered Accountants  
Wolverhampton

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Power Panels Electrical Systems Limited

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31 January 1998

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Power Panels Electrical Systems Limited

COMPANY INFORMATION

31 January 1998

DIRECTORS:

D W Fox  
Mrs S A Fox  
D Walton

COMPANY SECRETARY:

Mrs S A Fox

REGISTERED OFFICE:

Landywood Lane  
Cheslyn Hay  
Walsall  
WS6 7AL

REGISTERED NUMBER:

01398551

AUDITORS:

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

BANKERS:

Lloyds 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 1998.

### 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 a continuing increase in turnover. Both the level of business and year end financial position were satisfactory and the Directors expect that the level of activity will continue to increase during the current year.

There has been substantial expenditure this year on training and quality assurance in order that the company can pursue its objective of being a world class supplier.

### RESULTS AND DIVIDENDS

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

The Directors do not recommend the payment of a dividend. Accordingly the retained profit for the year of £131,135 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 1997 to the date of this report.

In accordance with the Articles of Association Mrs S A Fox retires by rotation and being eligible offers herself 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
D Walton	-

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.

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 26 JUNE 1998  
AND SIGNED ON ITS BEHALF BY

  
MRS S A FOX  
Company Secretary

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

We have audited the Financial Statements on pages 5 to 20 which have been prepared under the historical cost convention and the accounting policies set out on pages 8, 9 and 10.

**Respective responsibilities of Directors and Auditors**

As described on page 3 the company's Directors are responsible for the preparation of Financial Statements. It is our responsibility to form an independent opinion, based on our audit, on those Statements and to report our opinion to you.

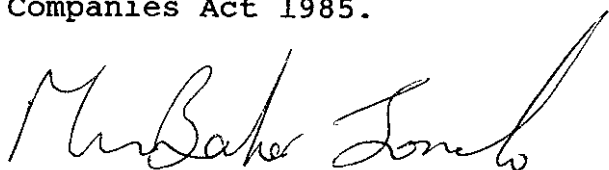
**Basis of opinion**

We conducted our audit in accordance with 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 1998 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

26 June 1998

# Power Panels Electrical Systems Limited

## PROFIT AND LOSS ACCOUNT

For the year ended 31 January 1998

	Note	1998 £	1997 £
TURNOVER	1(b)	4,642,745	4,367,314
Cost of sales		(3,772,017)	(3,428,634)
GROSS PROFIT		870,728	938,680
Distribution costs		(26,553)	(22,575)
Administrative expenses		(662,954)	(721,868)
Other operating income	2	20,000	50,000
OPERATING PROFIT		201,221	244,237
Interest receivable and similar income		496	338
Interest payable and similar charges	3	(53,012)	(48,032)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	148,705	196,543
Taxation on profit on ordinary activities	7	(17,570)	(52,325)
RETAINED PROFIT FOR THE YEAR		131,135	144,218
RETAINED PROFITS AT BEGINNING OF YEAR		423,366	279,148
RETAINED PROFITS AT END OF YEAR		554,501	423,366

## 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 1998

	Note	£	1998	£	1997	£
FIXED ASSETS						
Tangible assets	8		778,464		789,242	
CURRENT ASSETS						
Stocks	9	219,972		203,369		
Debtors	10	852,941		828,054		
Cash at bank and in hand		24,394		57,206		
			<u>1,097,307</u>		<u>1,088,629</u>	
CREDITORS:AMOUNTS FALLING DUE WITHIN ONE YEAR	11	915,345		1,005,505		
NET CURRENT ASSETS			<u>181,962</u>		<u>83,124</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			960,426		872,366	
CREDITORS:AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	12		(395,125)		(437,700)	
PROVISION FOR LIABILITIES AND CHARGES	15		(800)		(1,300)	
NET ASSETS			<u>564,501</u>		<u>433,366</u>	
CAPITAL AND RESERVES						
Called up share capital	16	10,000		10,000		
Profit and Loss Account		554,501		423,366		
SHAREHOLDERS' FUNDS	17		<u>564,501</u>		<u>433,366</u>	

APPROVED BY THE BOARD ON 26 JUNE 1998  
AND SIGNED ON ITS BEHALF BY

  
D W FOX  
DIRECTOR

# Power Panels Electrical Systems Limited

## CASH FLOW STATEMENT

For the year ended 31 January 1998

	Note	1998 £	1997 £
Net cash inflow from operating activities	23	165,897	363,948
Returns on investments and servicing of finance			
Interest received		496	338
Interest paid		(46,242)	(39,410)
Interest element of hire purchase and finance lease rental payments		(6,770)	(5,019)
Net cash outflow from returns on investments and servicing of finance		(52,516)	(44,091)
Taxation			
UK corporation tax paid		(52,181)	(74,225)
		61,200	245,632
Capital expenditure			
Purchase of tangible fixed assets		(51,269)	(700,843)
Receipts from sale of tangible fixed assets		5,700	7,500
Net cash (outflow) from investing activities		(45,569)	(693,343)
Net cash inflow/(outflow) before financing		15,631	(447,711)
Financing			
New finance leases		8,350	-
Loans received		-	450,000
Repayment of amounts borrowed		(29,384)	(19,987)
Capital element of hire purchase and finance lease rental payments		(27,409)	(38,394)
Net cash (outflow)/inflow from financing		(48,443)	391,619
Decrease in cash	24	(32,812)	(56,092)

# Power Panels Electrical Systems Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 1998

### 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 taxation is provided in respect of the tax effect of all timing differences, to the extent that it is probable that a liability will crystallise in the foreseeable future, at the rates of tax expected to apply when the timing differences reverse.

Power Panels Electrical Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 1998

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 payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

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 1998

1. ACCOUNTING POLICIES - Continued

j) GOVERNMENT GRANTS

Revenue grants are included on a received basis. Capital grants received are written off to the Profit and Loss Account over the expected remaining useful economic life of the assets to which they relate.

2. OTHER OPERATING INCOME

	1998 £	1997 £
Grants received	20,000	50,000

3. INTEREST PAYABLE AND SIMILAR CHARGES

	1998 £	1997 £
Bank loans and overdrafts and other loans wholly repayable within 5 years	3,208	4,287
Other loans	43,034	38,726
Finance charges on finance leases and hire purchase contracts	6,770	5,019
	53,012	48,032

# Power Panels Electrical Systems Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 1998

### 4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1998 £	1997 £
The profit on ordinary activities before taxation is stated after charging:		
Depreciation of owned tangible fixed assets	38,774	22,306
Depreciation of tangible fixed assets held under finance leases and hire purchase contracts	19,413	15,431
(Profit)/loss on sale of tangible fixed assets	(1,840)	2,091
Auditors' remuneration	3,000	2,400
Hire of plant and machinery - operating leases	13,787	15,235
Hire of other assets - operating leases	11,229	14,277
	<u>          </u>	<u>          </u>

### 5. STAFF COSTS

	1998 £	1997 £
Staff costs including Directors:		
Wages and salaries	1,500,673	1,568,702
Social security costs	137,805	146,528
Other pension costs	6,757	6,737
	<u>          </u>	<u>          </u>
	1,645,235	1,721,967
	<u>          </u>	<u>          </u>

	1998 Number	1997 Number
Average number of persons including Executive Directors employed by the company during the year:		
Management and administration	15	13
Production and selling	97	95
	<u>          </u>	<u>          </u>
Total employees	112	108
	<u>          </u>	<u>          </u>

Power Panels Electrical Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 1998

6. DIRECTORS

	1998 £	1997 £
Emoluments (including benefits in kind)	140,499	300,993
Contributions to money purchase pension schemes	6,753	6,737
	<u>147,252</u>	<u>307,730</u>

Retirement benefits accrue under money purchase pension schemes for two Directors.

7. TAXATION

	1998 £	1997 £
Based on the results for the year:		
UK corporation tax at 21%/24% (1997-24%/25%)	28,500	53,000
Deferred taxation	(500)	100
Adjustment in respect of prior years corporation tax	(10,430)	(775)
	<u>17,570</u>	<u>52,325</u>

Power Panels Electrical Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 1998

8. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and equipment £	Vehicles £	Total £
COST OR VALUATION				
At 1 February 1997	672,191	78,479	97,065	847,735
Additions	-	42,919	8,350	51,269
Disposals	-	-	(10,450)	(10,450)
At 31 January 1998	672,191	121,398	94,965	888,554
ACCUMULATED DEPRECIATION				
At 1 February 1997	11,190	25,384	21,919	58,493
Charge for the year	13,440	24,838	19,909	58,187
Eliminated on disposals	-	-	(6,590)	(6,590)
At 31 January 1998	24,630	50,222	35,238	110,090
NET BOOK VALUES				
At 31 January 1997	661,001	53,095	75,146	789,242
At 31 January 1998	647,561	71,176	59,727	778,464

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	73,600	23,892	49,708
Plant and equipment	11,377	6,636	4,741



# Power Panels Electrical Systems Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 1998

### 9. STOCKS AND WORK IN PROGRESS

	1998	1997
	£	£
Raw materials and consumables	90,306	85,269
Work in progress	129,666	118,100
	<hr/>	<hr/>
	219,972	203,369
	<hr/>	<hr/>

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

### 10. DEBTORS

	1998	1997
	£	£
Trade debtors	825,731	817,661
Prepayments and accrued income	17,598	10,393
Corporation tax	9,612	-
	<hr/>	<hr/>
	852,941	828,054
	<hr/>	<hr/>

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

	1998	1997
	£	£
Bank loans and overdrafts	32,859	29,745
Obligations under finance leases and hire purchase contracts	16,123	25,104
Trade creditors	599,486	535,283
Corporation tax	28,500	53,000
Other taxation and social security costs	129,925	219,154
Other creditors	23,767	30,956
Directors loan accounts	44,526	89,126
Accruals and deferred income	40,159	23,137
	<hr/>	<hr/>
	915,345	1,005,505
	<hr/>	<hr/>

# Power Panels Electrical Systems Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 1998

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

	1998 £	1997 £
Bank loans	367,771	400,269
Obligations under finance leases and hire purchase contracts	27,354	37,431
	<u>395,125</u>	<u>437,700</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.

Interest is charged at 10% per annum for first three years.

	1998 £	1997 £
Analysis of debt maturity:		
a) Falling due within one year	<u>32,859</u>	<u>29,745</u>
b) Falling due after more than one year:		
Repayable within one to two years	36,300	32,859
Repayable within two to five years	133,339	120,700
Repayable after more than five years	198,132	246,710
	<u>367,771</u>	<u>400,269</u>

# Power Panels Electrical Systems Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 1998

### 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.

	1998 £	1997 £
Amounts payable:		
Within one to two years	13,948	13,747
Within two to five years	13,406	23,684
	<hr/>	<hr/>
	27,354	37,431
	<hr/>	<hr/>

### 15. PROVISIONS FOR LIABILITIES AND CHARGES

	1998		1997	
	Amount provided £	Amount unprovided £	Amount provided £	Amount unprovided £
Deferred taxation				
Taxation effect of timing differences arising on:				
Excess of capital allowances over depreciation	800	-	1,300	-
	<hr/>	<hr/>	<hr/>	<hr/>

#### DEFERRED TAXATION MOVEMENTS

	1998 £	1997 £
Balance at 1 February 1997	1,300	1,200
Transfer to Profit and Loss Account	(500)	100
	<hr/>	<hr/>
Balance at 31 January 1998	800	1,300
	<hr/>	<hr/>

# Power Panels Electrical Systems Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 1998

### 16. SHARE CAPITAL

	1998 £	1997 £
Ordinary shares of £1 each		
Authorised	10,000	10,000
	<hr/>	<hr/>
Allotted, issued and fully paid	10,000	10,000
	<hr/>	<hr/>

### 17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998 £	1997 £
Profit for the financial year after taxation being increase in shareholders' funds	131,135	144,218
Shareholders' funds at beginning of year	433,366	289,148
	<hr/>	<hr/>
Shareholders' funds at end of year	564,501	433,366
	<hr/>	<hr/>

### 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 5 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 1998

19. CAPITAL COMMITMENTS

	1998 £	1997 £
Capital expenditure contracted for but not provided for in the Financial Statements	-	-
Capital expenditure authorised by the Directors but not contracted for at 31 January 1998.	-	-

20. OTHER FINANCIAL COMMITMENTS

At 31 January 1998 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	-
Within two to five years	13,451
After five years	-
	<u>13,451</u>

21. CONTINGENT LIABILITIES

The company had no contingent liabilities at 31 January 1998.

Power Panels Electrical Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 1998

22. ULTIMATE CONTROL

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

23. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1998 £	1997 £
Operating profit	201,221	244,237
Depreciation charges	58,187	37,737
(Profit)/loss on sale of tangible fixed assets	(1,840)	2,091
(Increase)/Decrease in stocks	(16,603)	33,783
(Increase) in debtors	(15,275)	(229,935)
(Decrease)/increase in creditors	(59,793)	276,035
	<hr/>	<hr/>
Net cash inflow from operating activities	165,897	363,948
	<hr/>	<hr/>

24. RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET DEBT

	1998 £	1997 £
Decrease in cash	(32,812)	(56,092)
Cash outflows from repayment of debt and lease financing	56,792	58,381
Cash inflow from increase in debt	-	(450,000)
	<hr/>	<hr/>
Changes in net debt resulting from cashflows	23,980	(447,711)
New finance leases	(8,350)	(54,800)
Net (debt)/funds at beginning of year	(435,343)	67,168
	<hr/>	<hr/>
Net debt at end of year (note 25)	(419,713)	(435,343)
	<hr/>	<hr/>

Power Panels Electrical Systems Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 1998

25. ANALYSIS OF CHANGES IN NET DEBT

	At 1.2.97 £	Cashflows £	Non-cash changes £	At 31.1.98 £
Cash at bank and in hand	57,206	(32,812)	-	24,394
Debt due within one year				
Hire purchase	(25,104)	11,357	(2,376)	(16,123)
Bank loan	(29,745)	29,384	(32,498)	(32,859)
Debt due after one year				
Hire purchase	(37,431)	16,051	(5,974)	(27,354)
Bank loan	(400,269)	-	32,498	(367,771)
	<u>(435,343)</u>	<u>23,980</u>	<u>(8,350)</u>	<u>(419,713)</u>