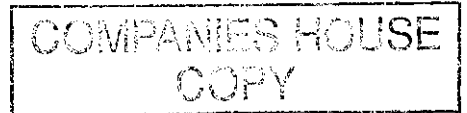
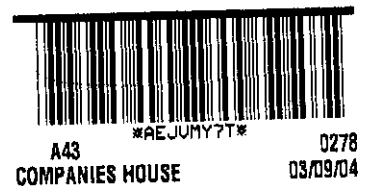


Registration Number 01398551



Power Panels Electrical Systems Limited
REPORT AND FINANCIAL STATEMENTS
For the year ended 31 January 2004

Muras Baker Jones & Co
Chartered Accountants
Wolverhampton



Power Panels Electrical Systems Limited

Company information

Directors	D W Fox Mrs S A Fox A Hague I Watton
Secretary	Mrs S A Fox
Company number	01398551
Registered office	Landywood Green Cheslyn Hay Staffs WS6 7AL
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

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Power Panels Electrical Systems Limited

Directors' report for the year ended 31 January 2004

The directors present their report and the financial statements for the year ended 31 January 2004.

Principal activity and review of the business

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

The directors are delighted to report a 40% increase in turnover during the year ended 31 January 2004 and an increase in profit before tax. The directors are pleased with the level of business and year end financial position and expect that the level of turnover and profitability will continue to increase during the current year.

Results and dividends

The results for the year are set out on page 5.

The directors have paid an interim dividend amounting to £140,000 and they do not recommend payment of a final dividend.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	31/01/04	01/02/03
D W Fox	5,000	5,000
Mrs S A Fox	5,000	5,000
A Hague	-	-
I Watton	-	-

In Accordance with the Articles of Association Mrs S A Fox retires by rotation and being eligible offers herself for re - election.

Charitable and political contributions

During the year the company contributed £725 to charities.

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Power Panels Electrical Systems Limited

Directors' report for the year ended 31 January 2004

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

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Muras Baker Jones & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 24 August 2004 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'S A Fox', written over a horizontal line.

Mrs S A Fox
Secretary

Power Panels Electrical Systems Limited

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 2004 which comprise pages 5 to 17. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

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.

Power Panels Electrical Systems Limited

Independent auditors' report to the shareholders of Power Panels Electrical Systems Limited continued

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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'Muras Baker Jones', is written over a faint, larger version of the same signature.

Muras Baker Jones & Co
Chartered Accountants and Registered Auditors
Regent House
Bath Avenue
Wolverhampton
WV1 4EG
24 August 2004

Power Panels Electrical Systems Limited

**Profit and loss account
for the year ended 31 January 2004**

		Continuing operations	
		2004	2003
	Notes	£	£
Turnover	2	8,749,859	6,226,495
Cost of sales		(6,610,906)	(4,721,909)
Gross profit		2,138,953	1,504,586
Distribution costs		(30,596)	(27,786)
Administrative expenses		(1,779,322)	(1,163,112)
Operating profit	3	329,035	313,688
Other interest receivable and similar income	4	1,699	63
Interest payable and similar charges	5	(17,251)	(23,301)
Profit on ordinary activities before taxation		313,483	290,450
Tax on profit on ordinary activities	8	(64,033)	(57,479)
Profit on ordinary activities after taxation		249,450	232,971
Dividends	9	(140,000)	(200,000)
Retained profit for the year		109,450	32,971
Retained profit brought forward		797,036	764,065
Retained profit carried forward		906,486	797,036

There are no recognised gains or losses other than the profit or loss for the above two financial years.


The notes on pages 8 to 17 form an integral part of these financial statements.

Power Panels Electrical Systems Limited

**Balance sheet
as at 31 January 2004**

		2004		2003	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10		941,728		793,944
Current assets					
Stocks	11	718,880		673,467	
Debtors	12	1,310,885		1,170,851	
Cash at bank and in hand		223,639		1,636	
		<u>2,253,404</u>		<u>1,845,954</u>	
Creditors: amounts falling due within one year	13	<u>(2,146,956)</u>		<u>(1,649,231)</u>	
Net current assets			<u>106,448</u>		<u>196,723</u>
Total assets less current liabilities			1,048,176		990,667
Creditors: amounts falling due after more than one year	14		(80,190)		(140,231)
Provisions for liabilities and charges	15		<u>(51,500)</u>		<u>(43,400)</u>
Net assets			<u><u>916,486</u></u>		<u><u>807,036</u></u>
Capital and reserves					
Called up share capital	17		10,000		10,000
Profit and loss account			906,486		797,036
Equity shareholders' funds	18		<u><u>916,486</u></u>		<u><u>807,036</u></u>

The financial statements were approved by the Board on 24 August 2004 and signed on its behalf by


D W Fox
Director

The notes on pages 8 to 17 form an integral part of these financial statements.

Power Panels Electrical Systems Limited

**Cash flow statement
for the year ended 31 January 2004**

	Notes	2004 £	2003 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		329,035	313,688
Depreciation		127,731	102,659
(Increase) in stocks		(45,413)	(294,634)
(Increase) in debtors		(140,034)	(416,583)
Increase in creditors		857,342	434,087
Net cash inflow from operating activities		<u>1,128,661</u>	<u>139,217</u>
Cash flow statement			
Net cash inflow from operating activities		1,128,661	139,217
Returns on investments and servicing of finance	23	(15,552)	(23,238)
Taxation	23	(57,433)	(43,979)
Capital expenditure	23	(275,515)	(43,123)
		780,161	28,877
Equity dividends paid		(140,000)	(333,333)
		640,161	(304,456)
Financing	23	(60,443)	(59,959)
Increase in cash in the year		<u>579,718</u>	<u>(364,415)</u>
Reconciliation of net cash flow to movement in net funds (Note 24)			
Increase in cash in the year		579,718	(364,415)
Cash outflow from increase in debts and lease financing		60,443	59,959
Change in net funds resulting from cash flows		640,161	(304,456)
Net debt at 1 February 2003		(589,642)	(285,186)
Net funds at 31 January 2004		<u>50,519</u>	<u>(589,642)</u>

Power Panels Electrical Systems Limited

Notes to the financial statements for the year ended 31 January 2004

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention .

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

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

1.4. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

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

1.5. Stock and work in progress

Stock and work in progress are valued 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.

1.6. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

1.7. Deferred taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

Power Panels Electrical Systems Limited

Notes to the financial statements for the year ended 31 January 2004

..... continued

1.8. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

2. Turnover

	2004	2003
Geographical market		
UK	8,689,059	5,787,068
Europe	-	31,118
Rest of the World	60,800	408,309
	<u>8,749,859</u>	<u>6,226,495</u>

3. Operating profit

	2004 £	2003 £
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	127,731	102,949
Operating lease rentals		
- Plant and machinery	21,787	18,236
Auditors' remuneration	4,600	4,180
	<u></u>	<u></u>
and after crediting:		
Profit on disposal of tangible fixed assets	-	290
	<u></u>	<u></u>

4. Interest receivable and similar income

	2004 £	2003 £
Bank interest	<u>1,699</u>	<u>63</u>

5. Interest payable and similar charges

	2004 £	2003 £
On bank loans and overdrafts	6,177	7,379
On loans repayable between two and five years	10,903	15,164
Hire purchase interest	171	758
	<u>17,251</u>	<u>23,301</u>

Power Panels Electrical Systems Limited

**Notes to the financial statements
for the year ended 31 January 2004**

..... continued

6. Employees

Number of employees

The average monthly numbers of employees
(including the directors) during the year were:

	2004	2003
Management and administration	22	19
Production and selling	125	107
	<u>147</u>	<u>126</u>

Employment costs

	2004	2003
	£	£
Wages and salaries	2,712,528	2,065,823
Social security costs	265,340	178,591
Other pension costs	2,602	2,848
	<u>2,980,470</u>	<u>2,247,262</u>

6.1. Directors' emoluments

	2004	2003
	£	£
Remuneration and other emoluments	869,137	478,720
Pension contributions	2,602	2,848
	<u>871,739</u>	<u>481,568</u>

	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>1</u>	<u>1</u>

Highest paid director

	£	£
Amounts included above:		
Emoluments and other benefits	<u>399,732</u>	<u>256,808</u>

7. Pension costs

The company operates a defined contribution pension scheme. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £2,602 (2003 - £2,848).

Power Panels Electrical Systems Limited

**Notes to the financial statements
for the year ended 31 January 2004**

..... continued

8. Tax on profit on ordinary activities

Analysis of charge in period	2004	2003
	£	£
Current tax		
UK corporation tax	56,000	57,500
Prior period adjustments	(67)	(21)
Total current tax charge	<u>55,933</u>	<u>57,479</u>
Deferred tax		
Timing differences, origination and reversal	8,100	-
Total deferred tax	<u>8,100</u>	<u>-</u>
Tax on profit on ordinary activities	<u><u>64,033</u></u>	<u><u>57,479</u></u>

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (19 per cent). The differences are explained below:

	2004	2003
	£	£
Profit on ordinary activities before taxation	<u>313,483</u>	<u>290,450</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (31 January 2003 : 19%)	59,562	55,186
Effects of:		
Expenses not deductible for tax purposes	2,985	3,004
Capital allowances for period in excess of depreciation	(7,170)	(1,242)
Adjustments to tax charge in respect of previous periods	(67)	(21)
Rounding provision	623	67
Two months charged at 20%	-	485
Current tax charge for period	<u><u>55,933</u></u>	<u><u>57,479</u></u>

9. Dividends

	2004	2003
	£	£
Dividends on equity shares:		
Ordinary shares - interim paid	<u>140,000</u>	<u>200,000</u>

Power Panels Electrical Systems Limited

**Notes to the financial statements
for the year ended 31 January 2004**

..... continued

10. Tangible fixed assets	Land and buildings freehold £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 February 2003	672,191	479,948	79,694	1,231,833
Additions	23,813	178,652	73,050	275,515
At 31 January 2004	<u>696,004</u>	<u>658,600</u>	<u>152,744</u>	<u>1,507,348</u>
Depreciation				
At 1 February 2003	91,830	311,047	35,012	437,889
Charge for the year	15,821	94,931	16,979	127,731
At 31 January 2004	<u>107,651</u>	<u>405,978</u>	<u>51,991</u>	<u>565,620</u>
Net book values				
At 31 January 2004	<u>588,353</u>	<u>252,622</u>	<u>100,753</u>	<u>941,728</u>
At 31 January 2003	<u>580,361</u>	<u>168,901</u>	<u>44,682</u>	<u>793,944</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2004		2003	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Motor vehicles	<u>-</u>	<u>-</u>	<u>11,087</u>	<u>3,696</u>
11. Stocks			2004 £	2003 £
Raw materials and consumables			397,602	417,237
Work in progress			321,278	256,230
			<u>718,880</u>	<u>673,467</u>

Power Panels Electrical Systems Limited

**Notes to the financial statements
for the year ended 31 January 2004**

..... continued

12. Debtors	2004	2003
	£	£
Trade debtors	1,294,590	1,151,431
Prepayments and accrued income	16,295	19,420
	<u>1,310,885</u>	<u>1,170,851</u>
 13. Creditors: amounts falling due within one year	 2004	 2003
	£	£
Bank overdraft	32,756	390,471
Bank loan	60,174	56,257
Net obligations under finance leases and hire purchase contracts	-	4,319
Trade creditors	1,244,521	841,125
Corporation tax	56,000	57,500
Other taxes and social security costs	363,759	162,139
Directors' accounts	52,439	34,310
Other creditors	326,505	91,782
Accruals and deferred income	10,802	11,328
	<u>2,146,956</u>	<u>1,649,231</u>

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 2004**

..... continued

14. Creditors: amounts falling due after more than one year	2004	2003
	£	£
Bank loan	<u>80,190</u>	<u>140,231</u>

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 £32,756 at 31 January 2004 (2003 - £390,471)

	2004	2003
	£	£
Analysis of bank loan maturity		
Falling due within one year.	<u>60,174</u>	<u>56,257</u>
Falling due after more than one year		
Repayable between one and two years	64,004	60,174
Repayable between two and five years	<u>16,186</u>	<u>80,057</u>
	<u>80,190</u>	<u>140,231</u>

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

Interest on the bank loan was charged at 2.75% above base rate. At the year end the rate was 6.50%.

15 Provisions for liabilities and charges

	Deferred taxation (Note 16) £	Total £
At 1 February 2003	43,400	43,400
Movements in the year	<u>8,100</u>	<u>8,100</u>
At 31 January 2004	<u>51,500</u>	<u>51,500</u>

Power Panels Electrical Systems Limited

**Notes to the financial statements
for the year ended 31 January 2004**

..... continued

16. Provision for deferred taxation

	2004	2003
	£	£
Accelerated capital allowances	<u>51,500</u>	<u>43,400</u>
Provision at 1 February 2003	43,400	
Deferred tax charge in profit and loss account	<u>8,100</u>	
Provision at 31 January 2004	<u>51,500</u>	

17. Share capital

	2004	2003
	£	£
Authorised equity		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid equity		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

18. Reconciliation of movements in shareholders' funds

	2004	2003
	£	£
Profit for the year	249,450	232,971
Dividends	<u>(140,000)</u>	<u>(200,000)</u>
Increase in shareholders' funds	109,450	32,971
Opening shareholders' funds	<u>807,036</u>	<u>774,065</u>
Closing shareholders' funds	<u>916,486</u>	<u>807,036</u>

Power Panels Electrical Systems Limited

**Notes to the financial statements
for the year ended 31 January 2004**

..... continued

19. Financial commitments

At 31 January 2004 the company had annual commitments under non-cancellable operating leases as follows:

	2004	2003
	£	£
Expiry date:		
Within one year	-	5,334
Between two and five years	5,987	-
	<u>5,987</u>	<u>5,334</u>

20. Capital commitments

The company had no capital commitments at 31 January 2004 (2003 - None)

21. Contingent liabilities

The company had no contingent liabilities at 31 January 2004.

22. Ultimate control

The ultimate control of the company is detailed in the Directors' Report on page 1.

Power Panels Electrical Systems Limited

**Notes to the financial statements
for the year ended 31 January 2004**

..... continued

23. Gross cash flows

	2004	2003
	£	£
Returns on investments and servicing of finance		
Interest received	1,699	63
Interest paid	(17,080)	(22,543)
Interest element of finance lease rental payments	(171)	(758)
	<u>(15,552)</u>	<u>(23,238)</u>
Taxation		
Corporation tax paid	<u>(57,433)</u>	<u>(43,979)</u>
Capital expenditure		
Payments to acquire tangible assets	(275,515)	(48,373)
Receipts from sales of tangible assets	-	5,250
	<u>(275,515)</u>	<u>(43,123)</u>
Financing		
Repayment of long term bank loan	(56,124)	(52,284)
Capital element of finance leases and hire purchase contracts	(4,319)	(7,675)
	<u>(60,443)</u>	<u>(59,959)</u>

24. Analysis of changes in net funds

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Cash at bank and in hand	1,636	222,003		223,639
Overdrafts	(390,471)	357,715		(32,756)
	<u>(388,835)</u>	<u>579,718</u>		<u>190,883</u>
Debt due within one year	(56,257)	56,124	(60,041)	(60,174)
Debt due after one year	(140,231)	-	60,041	(80,190)
Finance leases and hire purchase contracts	(4,319)	4,319	-	-
	<u>(200,807)</u>	<u>60,443</u>	<u>-</u>	<u>(140,364)</u>
Net funds	<u>(589,642)</u>	<u>640,161</u>	<u>-</u>	<u>50,519</u>