

COMPANY NO: 2925784

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# Channel Electric Equipment Holdings Limited

Annual Report

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◆ Year ended 30 September 2007 ◆

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## **Contents**

	<b>Page</b>
Company Information	1
Report of the Directors	2
Independent Auditors' Report	3
Balance Sheet	4
Notes to the Financial Statements	5

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## **Company Information**

<b>Directors</b>	Peter G Pollock Stephen K Brett
<b>Secretary</b>	Stephen K Brett
<b>Registered office</b>	Tudor Works Debden Road Saffron Walden Essex CB11 4AN
<b>Registered number</b>	2925784
<b>Auditors</b>	Grant Thornton UK LLP Chartered Accountants Byron House Cambridge Business Park CB4 0WZ
<b>Solicitors</b>	Eversheds 115 Colmore Row Birmingham B3 3AL

## **Report of the Directors**

The directors present their report and audited accounts for the year ended 30 September 2007

### **Principal activities and review of the business**

The Company acts as a holding company. Its subsidiary undertaking, Channel Electric Equipment Limited, acts as the UK representative of overseas companies who specialise in the manufacture of electro-mechanical components. The Company has not traded during the year.

### **Results and dividends**

The profit for the year after taxation amounted to £Nil (2006: £Nil). The preference shareholders have waived their entitlement to dividends in 2007.

### **Directors and their interests**

The directors who served during the year are shown on page 1. The directors had no interest in the share capital of the Company, which is a wholly owned subsidiary of LPA Group plc. The interests of the directors in the share capital of LPA Group plc are disclosed in the financial statements of that company.

### **Statement of directors' responsibilities for the financial statements**

Company law in the United Kingdom 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

### **Disclosure of information to auditors**

At the date of making this report each of the Company's directors, as set out on page 1, confirm the following:

- so far as each director is aware, there is no relevant information needed by the Company's auditors in connection with preparing their report of which the Company's auditors are unaware, and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

### **Auditors**

Grant Thornton UK LLP are willing to continue in office and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

### **Approval**

The report of the directors was approved by the Board on 22 April 2008 and signed on its behalf by



**Stephen Brett**  
Director

## Independent Auditors' Report to the Shareholders of Channel Electric Equipment Holdings Limited

We have audited the financial statements of Channel Electric Equipment Holdings Limited for the year ended 30 September 2007 which comprise the principal accounting policies, the balance sheet and notes 2 to 10. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Directors' Report and financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

We also report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 30 September 2007,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.



Grant Thornton UK LLP  
Chartered Accountants and Registered Auditors  
Cambridge, England  
9 June 2008

## **Balance Sheet**

at 30 September 2007

	<b>Note</b>	<b>2007 £</b>	<b>2006 £</b>
<b>Fixed assets</b>			
Investments	4	2,901,499	2,901,499
<b>Creditors: Amounts falling due within one year</b>	5	(2,536,499)	(2,536,499)
		<hr/>	<hr/>
<b>Net assets</b>		365,000	365,000
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	6	170,370	170,370
Capital redemption reserve	7	194,630	194,630
Profit and loss reserve	7	-	-
		<hr/>	<hr/>
<b>Shareholders' funds</b>	8	365,000	365,000
		<hr/>	<hr/>

The financial statements were approved by the Board on 22 April 2008 and signed on its behalf by



**P G Pollock**  
Director

## Notes to the Financial Statements

for the year ended 30 September 2007

### 1. Accounting Policies

#### Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable UK accounting standards (United Kingdom Generally Accepted Accounting Practice)

The Company has taken advantage of section 228 of the Companies Act 1985 and has not prepared group accounts on the grounds that it is itself a wholly owned subsidiary of another company in the EU which has prepared group accounts. These accounts present information about the Company as an individual undertaking and not about its group.

#### Investment

All investments are recorded at cost

#### Cash flow statement

The Company is exempt from publishing a cash flow statement, as it is a wholly owned subsidiary of LPA Group plc, which publishes a consolidated cash flow statement

### 2. Profit and Loss Account

The Company has not traded during the current or preceding financial years and therefore no profit and loss account has been presented

### 3. Dividends

The holder of the preferred ordinary shares has waived the rights to dividends accruing under these classes of shares for the periods ended 30 September 2007 and 2006

### 4. Investments

£

#### Cost and net book value:

At 1 October 2006 and 30 September 2007

2,901,499

Details of the investments in which the Company holds more than 20% of the nominal value of any class of share capital is as follows

Name of Company	Holding	Proportion of voting rights held	Nature of business
Channel Electric Equipment Limited	Ordinary shares	100%	Electrical components

## Notes to the Financial Statements

for the year ended 30 September 2007

### 5. Creditors: Amounts Falling Due Within One Year

	2007 £	2006 £
Amounts payable to group undertakings	2,536,499	2,536,499

### 6. Share Capital

	2007 £	2006 £
<b>Authorised, allotted, called up and fully paid</b>		
115,000 ordinary shares of £1 each	115,000	115,000
55,370 cumulative participating preferred ordinary shares of £1 each	55,370	55,370
<b>Total share capital</b>	<b>170,370</b>	<b>170,370</b>

The cumulative participating preferred ordinary shares of £1 each carry the following rights and conditions

#### Income

There were no dividend entitlements until the year ending 31 December 1997. The holders of cumulative participating preferred shares are entitled to a cumulative net dividend (participating dividend) of 5% of adjusted profit before tax for the year ending 31 December 1997, 7.5% for the year ending 31 December 1998 and 10% for years ending 31 December 1999 and thereafter. In addition the holders will be entitled to receive a non-cumulative dividend at the same rate as ordinary shareholders.

#### Capital and voting rights

The holders are entitled to vote at all general meetings of the Company. On a return of assets or liquidation the cumulative participating preferred shareholders will be entitled to a share of remaining assets *par passu* with the ordinary shareholders.

### 7. Reserves

	Capital redemption reserve £	Profit and loss reserve £
At 1 October 2006 and 30 September 2007	194,630	-



## Notes to the Financial Statements

for the year ended 30 September 2007

### 8. Reconciliation of Movements in Shareholders' Funds

	2007 £	2006 £
<b>Shareholders' funds:</b>		
At 1 October 2006 and 30 September 2007	365,000	365,000
	<hr/>	<hr/>
Non equity	55,370	55,370
Equity	309,630	309,630
	<hr/>	<hr/>
Total shareholders' funds	365,000	365,000
	<hr/>	<hr/>

### 9. Contingent Liabilities

The following security is provided to the Bank of Scotland in respect of LPA Group plc's £1.5 million term loan facility: (i) first debenture from the Company, and (ii) a composite guarantee by the Company (as guarantor) in favour of the Bank of Scotland.

### 10. Ultimate Parent Undertaking

The Company's ultimate parent undertaking and controlling party is LPA Group plc, a company incorporated in England and Wales. Copies of LPA Group plc group accounts, which include the Company, are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

The Company has taken advantage of the exemption confirmed by FRS8 and has not disclosed related party transactions with group undertakings during the period.