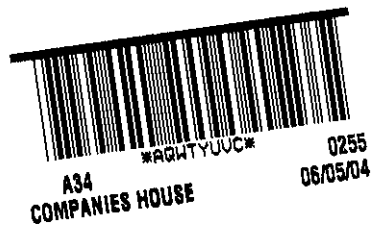


CBS Group Limited
and its subsidiaries
Group Financial Statements
for the year ended 31 December 2003



CBS Group Limited and its subsidiaries

Directors and advisers

DIRECTORS:

T R Hill
R Hill
P J Wellman
W D Smith
Mrs D I Hill
Mrs K Hill

SECRETARY:

Mrs K Hill

REGISTERED OFFICE:

Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

COMPANY NUMBER:

3199758

AUDITORS:

Roffe Swayne
Registered Auditors &
Chartered Accountants
Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

CBS Group Limited and its subsidiaries

Report of the Directors

The directors present their report with the financial statements of the group for the year ended 31 December 2003.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was that of a holding company with subsidiaries involved in the service and maintenance of computer power supplies and other forms of equipment.

DIRECTORS AND THEIR INTERESTS

The directors of the company and their interests in the share capital of the company were as follows:

	31 December 2003	31 December 2002
T R Hill	285	285
R Hill	50	50
P J Wellman	145	145
W D Smith	175	175
Mrs D I Hill	50	50
Mrs K Hill	-	-

In addition, T R Hill and Mrs D I Hill hold non-beneficial interest in 150 shares.

STATEMENT OF 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 group and of the profit or loss of the group for that period. In preparing those financial statements we are required to

- select suitable accounting policies and then 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.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Roffe Swayne, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small groups.

On behalf of the Board

K. Hill

K Hill
Director

Dated: 26.04.04

CBS Group Limited

Report of the Independent Auditors to the Shareholders of CBS Group Limited

We have audited the financial statements of CBS Group Limited for the year ended 31 December 2003 on pages four to thirteen. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

The 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

As described on page two the company's directors are responsible for the preparation of 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 Report of the Directors is not consistent with the financial statements, if the company and the group 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 and the group is not disclosed.

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

Basis of 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 affairs of the company and group as at 31 December 2003 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Rofe Swayne
Registered Auditors &
Chartered Accountants
Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

Dated: 30 April 2004

CBS Group Limited

**Consolidated Profit and Loss Account
for the year ended 31 December 2003**

	Notes	2003		2002	
		£	£	£	£
TURNOVER	2		2,017,006		2,167,969
Cost of sales			972,249		1,150,847
GROSS PROFIT			<u>1,044,757</u>		<u>1,017,122</u>
Distribution costs		119,179		109,857	
Administrative expenses		748,495		719,631	
			<u>867,674</u>		<u>829,488</u>
OPERATING PROFIT	3		<u>177,083</u>		<u>187,634</u>
Interest receivable and similar income	4		11,916		15,944
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			<u>188,999</u>		<u>203,578</u>
Tax on profit on ordinary activities	5		35,849		42,816
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			<u>153,150</u>		<u>160,762</u>
Dividends	6		250,000		275,000
RETAINED LOSS FOR THE YEAR	15		(96,850)		(114,238)
Retained profit brought forward			703,745		817,983
RETAINED PROFIT CARRIED FORWARD			<u>606,895</u>		<u>703,745</u>

The notes form part of these financial statements

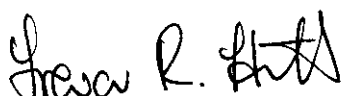
CBS Group Limited

**Consolidated Balance Sheet
as at 31 December 2003**

		<u>2003</u>		<u>2002</u>	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	7		-		2,500
Tangible assets	8a		281,159		288,570
			<u>281,159</u>		<u>291,070</u>
CURRENT ASSETS					
Stock	10	178,127		174,789	
Debtors	11	538,118		327,186	
Cash at bank and in hand		370,151		582,232	
		<u>1,086,396</u>		<u>1,084,207</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	757,460		667,682	
		<u>757,460</u>		<u>667,682</u>	
NET CURRENT ASSETS			328,936		416,525
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>610,095</u>		<u>707,595</u>
PROVISIONS FOR LIABILITIES AND CHARGES	13		2,100		2,750
			<u>607,995</u>		<u>704,845</u>
CAPITAL AND RESERVES					
Called up share capital	14		1,000		1,000
Capital reserve			100		100
Profit and loss account			606,895		703,745
			<u>607,995</u>		<u>704,845</u>
SHAREHOLDERS' FUNDS			<u>607,995</u>		<u>704,845</u>

These group financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small groups and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The accounts were approved by the Board of Directors on 27.4.04



T R Hill - Director

The notes form part of these financial statements

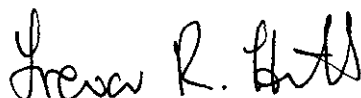
CBS Group Limited

**Company Balance Sheet
as at 31 December 2003**

		<u>2003</u>		<u>2002</u>	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	8b		253,534		262,863
Investments in subsidiaries	9		1,100		1,100
			<u>254,634</u>		<u>263,963</u>
CURRENT ASSETS					
Debtors	11	324,963		145,102	
Cash at bank		174,599		402,790	
		<u>499,562</u>		<u>547,892</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	205,651		185,196	
NET CURRENT ASSETS			<u>293,911</u>		<u>362,696</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>548,545</u>		<u>626,659</u>
CAPITAL AND RESERVES					
Called up share capital	14		1,000		1,000
Capital reserve			100		100
Profit and loss account			547,445		625,559
SHAREHOLDERS' FUNDS			<u>548,545</u>		<u>626,659</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The accounts were approved by the Board of Directors on 27.4.04 .



T R Hill - Director

CBS Group Limited

Notes to the Financial Statements for the year ended 31 December 2003

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the group qualifies as a small group.

Consolidation

The group accounts consolidate the accounts of CBS Group Limited and its subsidiary undertakings, made up to 31 December 2003. All intra-group transactions have been eliminated on consolidation.

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements.

Intangible assets

Goodwill, being the amount paid in connection with the acquisition of a business in 1993, is being written off evenly over its estimated useful life of ten years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold property	- 2% on cost
Plant and machinery	- 10%/25% on cost
Office equipment	- 10% on cost
Motor vehicles	- 20% on cost

In the opinion of the directors, the residual value of the leasehold property is in excess of the book value and no depreciation is considered necessary.

Stocks

Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pensions

The group operates three defined contribution schemes for the directors. The assets of the schemes are held separately from those of the group in independently administered funds. The contributions payable are charged to the profit and loss account.

CBS Group Limited

**Notes to the Financial Statements
for the year ended 31 December 2003**

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

2. TURNOVER

The group turnover represents the value, excluding value added tax, of goods and services supplied during the year.

3. OPERATING PROFIT

The operating profit is stated after charging:

	2003	2002
	£	£
Depreciation - owned assets	41,709	45,738
Loss/(profit) on disposal of fixed assets	6,771	(26,687)
Goodwill written off	2,500	10,000
Auditors' remuneration	12,762	11,320
Pension costs	66,167	65,903
	<hr/>	<hr/>
Directors' emoluments and other benefits etc.	330,500	321,572
	<hr/>	<hr/>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	5	5
	<hr/>	<hr/>

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2003	2002
	£	£
Interest receivable	11,916	15,944
	<hr/>	<hr/>

CBS Group Limited

**Notes to the Financial Statements
for the year ended 31 December 2003**

5. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	2003 £	2002 £
UK Corporation Tax	38,750	42,250
Adjustment in respect of previous year	(2,251)	(464)
Deferred taxation	(650)	1,030
	<hr/>	<hr/>
	35,849	42,816
	<hr/>	<hr/>

6. DIVIDENDS

	2003 £	2002 £
Equity shares:		
Interim dividends - Paid	75,000	125,000
Interim dividend - Proposed	-	50,000
Final dividend - Proposed	175,000	100,000
	<hr/>	<hr/>
	250,000	275,000
	<hr/>	<hr/>

7. INTANGIBLE FIXED ASSETS - Group

	Goodwill £
COST:	
At 1 January 2003	
and 31 December 2003	100,000
	<hr/>
AMORTISATION:	
At 1 January 2003	97,500
Charge for year	2,500
	<hr/>
At 31 December 2003	100,000
	<hr/>
NET BOOK VALUE:	
At 31 December 2003	-
	<hr/>
At 31 December 2002	2,500
	<hr/>

CBS Group Limited

**Notes to the Financial Statements
for the year ended 31 December 2003**

8. TANGIBLE FIXED ASSETS

(a) Group	Long Leasehold Properties £	Plant and Machinery £	Office Equipment £	Motor Vehicles £	Totals £
COST:					
At 1 January 2003	203,323	73,254	27,180	158,595	462,352
Additions	-	5,144	7,886	40,389	53,419
Disposals	-	-	-	(54,801)	(54,801)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2003	203,323	78,398	35,066	144,183	460,970
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION:					
At 1 January 2003	8,132	52,604	22,123	90,923	173,782
Charge for year	4,066	6,621	4,491	26,531	41,709
Eliminated on disposals	-	-	-	(35,680)	(35,680)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2003	12,198	59,225	26,614	81,774	179,811
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE:					
At 31 December 2003	191,125	19,173	8,452	62,409	281,159
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2002	195,191	20,650	5,057	67,672	288,570
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

(b) Company	Long Leasehold Properties £	Motor Vehicles £	Totals £
COST:			
At 1 January 2003	203,323	158,595	361,918
Additions	-	40,389	40,389
Disposals	-	(54,801)	(54,801)
	<hr/>	<hr/>	<hr/>
At 31 December 2003	203,323	144,183	347,506
	<hr/>	<hr/>	<hr/>
DEPRECIATION:			
At 1 January 2003	8,132	90,923	99,055
Charge in year	4,066	26,531	30,597
Eliminated on disposals	-	(35,680)	(35,680)
	<hr/>	<hr/>	<hr/>
At 31 December 2003	12,198	81,774	93,972
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE:			
At 31 December 2003	191,125	62,409	253,534
	<hr/>	<hr/>	<hr/>
At 31 December 2002	195,191	67,672	262,863
	<hr/>	<hr/>	<hr/>

CBS Group Limited

**Notes to the Financial Statements
for the year ended 31 December 2003**

9. INVESTMENTS

	2003	2002
	£	£
Shares in subsidiary undertakings at cost	1,100	1,100
	<u> </u>	<u> </u>

Details of the subsidiaries are as follows:-

Computer Battery Services Limited - Inspecting, testing and repair
of secure power supplies.

Premier UPS Services Limited - Servicing of secure power supplies.

Both subsidiaries are wholly owned, incorporated and operating in England.

10. STOCKS

	Group	2002
	2003	£
	£	
Stock	178,127	174,789
	<u> </u>	<u> </u>

**11. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2003		2002	
	Group	Company	Group	Company
	£	£	£	£
Trade debtors	497,789	-	295,439	-
Other debtors	31,348	1,841	30,125	4,637
Prepayments	8,981	-	1,622	-
Amounts due from subsidiary undertakings	-	323,122	-	140,465
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	538,118	324,963	327,186	145,102
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

**12. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2003		2002	
	Group	Company	Group	Company
	£	£	£	£
Bank overdraft	43,995	-	9,034	-
Trade creditors	378,190	-	370,967	-
Other creditors	25,084	6,083	13,244	5,868
Social security and other taxes	96,441	13,068	82,187	12,078
Taxation	38,750	11,500	42,250	17,250
Proposed dividend	175,000	175,000	150,000	150,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	757,460	205,651	667,682	185,196
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

CBS Group Limited

**Notes to the Financial Statements
for the year ended 31 December 2003**

13. PROVISIONS FOR LIABILITIES AND CHARGES

	Group	
	2003	2002
	£	£
Deferred taxation	2,100	2,750
	<hr/>	<hr/>
		Deferred taxation
		£
Balance at 1 January 2003		2,750
Transfer to profit and loss		(650)
		<hr/>
Balance at 31 December 2003		2,100
		<hr/>

Deferred taxation for which provision has been made in the financial statements and the amounts for which no provision has been made are as follows:

	Provided	Not Provided	
	2003	2002	2003
	£	£	2002
	£	£	£
Accumulated excess of capital allowances over corresponding depreciation	2,100	2,750	-
	<hr/>	<hr/>	<hr/>

14. CALLED UP SHARE CAPITAL

Authorised:		Nominal	2003	2002
Number: Class:		value:	£	£
50,000 Ordinary		£1	50,000	50,000
			<hr/>	<hr/>
Allotted, issued and fully paid				
Number: Class:		Nominal	2003	2002
		value:	£	£
1,000 Ordinary		£1	1,000	1,000
			<hr/>	<hr/>

CBS Group Limited

**Notes to the Financial Statements
for the year ended 31 December 2003**

15. RETAINED LOSS FOR THE YEAR

	2003 £	2002 £
Dealt with in the accounts of the holding company	(78,114)	(102,014)
Dealt with in the accounts of the subsidiaries	(18,736)	(12,224)
	<hr/>	<hr/>
	(96,850)	(114,238)
	<hr/>	<hr/>

16. PENSION COMMITMENTS

The group operates three defined contribution pension schemes. The assets are held separately from those of the group in independently administered funds. The pension costs charge represents contributions payable to the funds and amounted to £66,167 (2002 - £65,903). No contributions (2002 - Nil) were payable to the fund at the year end.

17. TRANSACTIONS WITH DIRECTORS

During the year the following transactions occurred. K J Hill purchased a motor vehicle from the company for £3,250. P J Wellman purchased a motor vehicle for £5,100. Both were sold at fair market value.

18. CONTROLLING INTERESTS

There is no overall controlling party.