

**Report of the Directors and
Financial Statements
for the Year Ended 31 December 2004
for
C B S Group Limited**



C B S Group Limited
Company Information
for the Year Ended 31 December 2004

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

REGISTERED NUMBER:

3199758 (England and Wales)

AUDITORS:

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

C B S Group Limited

Report of the Directors for the Year Ended 31 December 2004

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2004.

PRINCIPAL ACTIVITY

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

DIRECTORS

The directors during the year under review were:

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

The beneficial interests of the directors holding office on 31 December 2004 in the issued share capital of the company were as follows:

	31.12.04	1.1.04
Ordinary £1 shares		
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, 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 the group and of the profit or loss of the group for that period. In preparing those 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;
- 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 the group 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 the 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.

C B S Group Limited

**Report of the Directors
for the Year Ended 31 December 2004**

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

ON BEHALF OF THE BOARD:

K. Hill

.....
Mrs K Hill - Director

Date: *23.03.05*

**Report of the Independent Auditors to the Members of
C B S Group Limited**

We have audited the financial statements of C B S Group Limited for the year ended 31 December 2004 on pages five 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.

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

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 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 Report of the Directors 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 affairs of the company and the group as at 31 December 2004 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



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

Date: 04 April 2005

C B S Group Limited

**Consolidated Profit and Loss Account
for the Year Ended 31 December 2004**

	Notes	2004 £	£	2003 £	£
TURNOVER			2,649,115		2,017,006
Cost of sales			1,375,712		972,249
GROSS PROFIT			1,273,403		1,044,757
Distribution costs		134,696		119,179	
Administrative expenses		778,093		745,200	
			912,789		864,379
OPERATING PROFIT	2		360,614		180,378
Interest receivable and similar income			10,230		11,916
			370,844		192,294
Interest payable and similar charges			285		3,295
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			370,559		188,999
Tax on profit on ordinary activities	3		82,647		35,849
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			287,912		153,150
Dividends	5		200,000		250,000
RETAINED PROFIT/(DEFICIT) FOR THE YEAR FOR THE GROUP			87,912		(96,850)

The notes form part of these financial statements

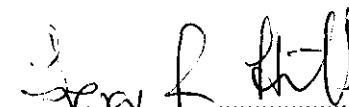
C B S Group Limited

**Consolidated Balance Sheet
31 December 2004**

	Notes	2004 £	2003 £
FIXED ASSETS			
Tangible assets	6	279,676	281,159
Investments	7	-	-
		<u>279,676</u>	<u>281,159</u>
CURRENT ASSETS			
Stocks	8	201,726	178,127
Debtors	9	946,833	538,118
Cash at bank and in hand		297,055	370,151
		<u>1,445,614</u>	<u>1,086,396</u>
CREDITORS			
Amounts falling due within one year	10	<u>1,027,116</u>	<u>757,460</u>
NET CURRENT ASSETS		<u>418,498</u>	<u>328,936</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>698,174</u>	<u>610,095</u>
PROVISIONS FOR LIABILITIES AND CHARGES	11	<u>2,267</u>	<u>2,100</u>
		<u>695,907</u>	<u>607,995</u>
CAPITAL AND RESERVES			
Called up share capital	12	1,000	1,000
Other reserves	13	100	100
Profit and loss account	13	694,807	606,895
SHAREHOLDERS' FUNDS		<u>695,907</u>	<u>607,995</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).

ON BEHALF OF THE BOARD:


.....
T R Hill - Director

Approved by the Board on 23-3-05.....

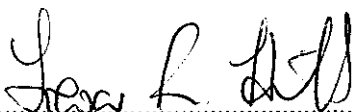
C B S Group Limited

Company Balance Sheet
31 December 2004

	Notes	2004 £	£	2003 £	£
FIXED ASSETS					
Tangible assets	6		252,799		253,534
Investments	7		1,100		1,100
			<u>253,899</u>		<u>254,634</u>
CURRENT ASSETS					
Debtors	9	396,270		324,963	
Cash at bank		203,689		174,599	
		<u>599,959</u>		<u>499,562</u>	
CREDITORS					
Amounts falling due within one year	10	245,422		205,651	
NET CURRENT ASSETS			<u>354,537</u>		<u>293,911</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>608,436</u>		<u>548,545</u>
CAPITAL AND RESERVES					
Called up share capital	12		1,000		1,000
Other reserves	13		100		100
Profit and loss account	13		607,336		547,445
SHAREHOLDERS' FUNDS			<u>608,436</u>		<u>548,545</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).

ON BEHALF OF THE BOARD:



T R Hill - Director

Approved by the Board on 23-03-05

C B S Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2004

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).

Basis of consolidation

The group accounts consolidate the accounts of CBS Group Limited and its subsidiary undertakings, made up to 31 December 2004. 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.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business has been fully amortised in the current year.

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	- 2% on cost to 15% reducing balance
Plant and machinery	- 25% on cost and 10% on cost
Office equipment	- 25% on cost
Motor vehicles	- 20% on cost

Stocks

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

Deferred tax

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.

C B S Group Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2004**

2. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2004 £	2003 £
Depreciation - owned assets	46,321	41,709
(Profit)/Loss on disposal of fixed assets	(856)	6,771
Goodwill amortisation	-	2,500
Auditors remuneration	13,638	12,762
Pension costs	<u>66,588</u>	<u>66,167</u>
 Directors' emoluments and other benefits etc	 <u>451,077</u>	 <u>436,076</u>

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

Money purchase schemes	<u>5</u>	<u>5</u>
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3. TAXATION

Analysis of the tax charge

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

	2004 £	2003 £
Current tax:		
UK corporation tax	83,000	38,750
Prior year adjustment	<u>(520)</u>	<u>(2,251)</u>
Total current tax	82,480	36,499
Deferred tax	<u>167</u>	<u>(650)</u>
Tax on profit on ordinary activities	<u>82,647</u>	<u>35,849</u>

4. PROFIT OF PARENT COMPANY

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. The parent company's profit for the financial year was £259,891 (2003 - £171,886).

5. DIVIDENDS

	2004 £	2003 £
Interim	200,000	205,000
Final	<u>-</u>	<u>45,000</u>
	<u>200,000</u>	<u>250,000</u>

C B S Group Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2004**

6. TANGIBLE FIXED ASSETS

Group	Long leasehold £	Plant and machinery £	Office equipment £	Motor vehicles £	Totals £
COST					
At 1 January 2004	203,323	78,399	35,067	144,183	460,972
Additions	-	2,548	9,658	37,324	49,530
Disposals	-	-	-	(35,002)	(35,002)
At 31 December 2004	203,323	80,947	44,725	146,505	475,500
DEPRECIATION					
At 1 January 2004	12,198	59,225	26,614	81,774	179,811
Charge for year	4,066	7,257	5,699	29,299	46,321
Eliminated on disposal	-	-	-	(30,308)	(30,308)
At 31 December 2004	16,264	66,482	32,313	80,765	195,824
NET BOOK VALUE					
At 31 December 2004	187,059	14,465	12,412	65,740	279,676
At 31 December 2003	191,125	19,174	8,453	62,409	281,161

Company

	Long leasehold £	Motor vehicles £	Totals £
COST			
At 1 January 2004	203,323	144,183	347,506
Additions	-	37,324	37,324
Disposals	-	(35,002)	(35,002)
At 31 December 2004	203,323	146,505	349,828
DEPRECIATION			
At 1 January 2004	12,198	81,774	93,972
Charge for year	4,066	29,299	33,365
Eliminated on disposal	-	(30,308)	(30,308)
At 31 December 2004	16,264	80,765	97,029
NET BOOK VALUE			
At 31 December 2004	187,059	65,740	252,799
At 31 December 2003	191,125	62,409	253,534

7. FIXED ASSET INVESTMENTS

Company

Investments (neither listed nor unlisted) were as follows:

	2004 £	2003 £
Investments in subs	1,100	1,100

C B S Group Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2004**

7. FIXED ASSET INVESTMENTS - continued

The group or the company's investments at the balance sheet date in the share capital of companies include the following:

Subsidiaries

Computer Battery Services Limited

Nature of business: Inspecting, testing & repair of secure power

	%
Class of shares:	holding
Ordinary	100.00

Premier UPS Services Limited

Nature of business: Servicing of secure power supplies.

	%
Class of shares:	holding
Ordinary	100.00

8. STOCKS

	Group	
	2004	2003
	£	£
Stocks	201,726	178,127

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Trade debtors	841,629	497,789	-	-
Amounts owed by group undertakings	-	-	387,044	323,122
Other debtors	38,431	31,348	9,226	1,841
Prepayments and accrued income	66,773	8,981	-	-
	<u>946,833</u>	<u>538,118</u>	<u>396,270</u>	<u>324,963</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Bank loans and overdrafts	31,320	43,995	-	-
Trade creditors	309,491	177,149	-	-
Tax	83,000	38,750	26,000	11,500
Social security and other taxes	159,955	96,441	11,450	13,068
Proposed dividends	200,000	175,000	200,000	175,000
Other creditors	20,543	25,084	7,972	6,083
Payments on account	222,807	201,041	-	-
	<u>1,027,116</u>	<u>757,460</u>	<u>245,422</u>	<u>205,651</u>

11. PROVISION FOR LIABILITIES AND CHARGES

	Group	
	2004	2003
	£	£
Deferred tax	2,267	2,100

C B S Group Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2004**

11. PROVISION FOR LIABILITIES AND CHARGES - continued

Group	Deferred tax £
Balance at 1 January 2004	2,100
Increase in deferred tax	167
	<hr/>
Balance at 31 December 2004	2,267
	<hr/>

12. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2004	2003
		£1	£	£
50,000	Ordinary		50,000	50,000
			<hr/>	<hr/>
Alotted, issued and fully paid:				
Number:	Class:	Nominal value:	2004	2003
		£1	£	£
1,000	Ordinary		1,000	1,000
			<hr/>	<hr/>

13. RESERVES

Group	Profit and loss account £	Other reserves £	Totals £
At 1 January 2004	606,895	100	606,995
Retained profit for the year	87,912	-	87,912
	<hr/>	<hr/>	<hr/>
At 31 December 2004	694,807	100	694,907
	<hr/>	<hr/>	<hr/>
 Company			
	Profit and loss account £	Other reserves £	Totals £
At 1 January 2004	547,445	100	547,545
Retained profit for the year	59,891	-	59,891
	<hr/>	<hr/>	<hr/>
At 31 December 2004	607,336	100	607,436
	<hr/>	<hr/>	<hr/>

14. PENSION COMMITMENTS

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. The pension costs represents contributions payable to the funds and amounted to £66,588 (2003: £66,167). No contribution (2003: £nil) were payable to the fund at the year end.

C B S Group Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2004**

15. TRANSACTIONS WITH DIRECTORS

There were no transactions in the year.

16. RELATED PARTY DISCLOSURES

During the year, the company sold a motor vehicle to a director of one of the subsidiaries, for £2,600 this was considered to be its market value.

17. CONTROLLING INTERESTS

There is no overall controlling party.