

Registered no: 2480708

Celab Power Management Limited
Annual report
for the year ended 31 December 1999



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Celab Power Management Limited

Annual report for the year ended 31 December 1999

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Directors and advisers

Executive directors

B C D Wood - Chairman & Managing
R Mier

Company secretary and registered office

R Mier
25 Woolmer Way
Bordon
Hampshire
GU35 9QE

Auditors

PricewaterhouseCoopers
9 Greyfriars Road
Reading
RG1 1JG

Bankers

Midland Bank plc
33 The Borough
Farnham
Surrey
GU9 7NJ

Directors' report for the year ended 31 December 1999

The directors present their report and the audited financial statements of the company for the year ended 31 December 1999.

Principal activity

The principal activity is that of holding company of Celab Limited, a company which designs, manufactures and markets electronic power supply equipment.

Review of business and future developments

In 1999 Celab Limited achieved a satisfactory result and finished the year with a strong order book in excess of £3m.

It is the opinion of the directors that the future prospects of the company and its subsidiary are good.

Results and dividends

The profit and loss account for the year is set out on page 5.

Interim dividends of £8.80 per ordinary share were paid on 15 June 1999 and of £30 per ordinary share on 14 October 1999 amounting to £194,000 (1998: Nil). The directors do not recommend payment of a final dividend (1998: Nil).

Directors and their interests

The directors who held office during the year are given below:

B C D Wood
R Mier

The interests of the directors at 31 December 1999 in the shares of the company were:

	Number of ordinary shares £1 each	
	31 December 1999	1 January 1999
B C D Wood	2,600	2,600
R Mier	1,000	1,000

Close Company

The company is a close company under the provisions of the Income and Corporation Taxes Act 1988.

Year 2000

Since the turn of the year, the company has not experienced any significant problems or major disruptions caused by the year 2000 problem. The directors will continue to monitor the position but do not expect any significant costs to arise.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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:

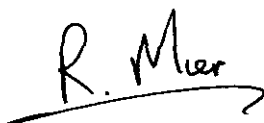
- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare 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 that 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to reappoint PricewaterhouseCoopers as auditors of the company will be proposed at the annual general meeting.

By order of the Board

A handwritten signature in black ink, appearing to read 'R. Mier', with a long horizontal flourish extending to the right.

R Mier
Company secretary

**Auditors' report to the members of
Celab Power Management Limited**

We have audited the financial statements on pages 5 to 11.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, including as described on page 3, the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

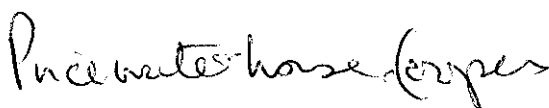
Basis of opinion

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 affairs of the company at 31 December 1999 and of its profit and cashflows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

Reading

19 April 2000

Profit and loss account for the year ended 31 December 1999

	Note	1999 £	1998 £
Administrative expenses		(4,250)	(4,246)
Operating loss		(4,250)	(4,246)
Income from shares in group undertakings		150,000	4,000
Interest receivable	4	476	3,344
Profit on ordinary activities before taxation	5	146,226	3,098
Tax on profit on ordinary activities	6	-	-
Profit on ordinary activities after taxation		146,226	3,098
Dividends	7	(194,000)	-
(Loss)/retained profit for the financial year		(47,774)	3,098
Amounts transferred (from)/to reserves			
At 1 January 1999		68,995	65,897
(Loss)/retained profit for the year		(47,774)	3,098
At 31 December 1999		21,181	68,995

The results for the years above are derived from continuing activities.

The company has no recognised gains and losses other than the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the result for the years stated above, and their historical cost equivalents.

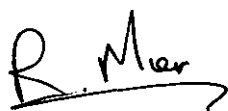
Balance sheet as at 31 December 1999

	Note	£	1999 £	£	1998 £
Fixed assets					
Investments	8		36,894		36,894
Current assets					
Debtors	9	4		4,080	
Cash at bank and in hand		1,426	1,430	44,895	48,975
Creditors - Amounts falling due					
within one year	10		(12,143)		(11,914)
Net current (liabilities)/assets			(10,713)		37,061
Net assets			26,181		73,955
Capital and reserves					
Called-up share capital	11	5,000		5,000	
Profit and loss account		21,181		68,955	
Equity shareholders' funds			26,181		73,955

The financial statements on pages 5 to 11 were approved by the board of directors on 14/4/00 and were signed on its behalf by:



B C D Wood
Managing Director



R Mier
Finance Director

Cash flow statement for the year ended 31 December 1999

	1999	1998
	£	£
Net cash inflow/(outflow) from continuing operating activities		
(reconciliation to operating profit on page 8)	55	(6,675)
Returns on investments and servicing of finance		
Income from shares in group undertakings	150,000	4,000
Interest received	476	3,344
	150,476	7,344
Equity dividends paid	(194,000)	-
(Decrease)/increase in cash in the period	(43,469)	669

No reconciliation of cash flows to movements in net debt has been presented as the company has no borrowings. All cash movements represent changes in the cash balance shown in the balance sheet.

Reconciliation of operating profit to net cash inflow from operating activities

	1999	1998
	£	£
Continuing operating activities		
Operating loss	(4,250)	(4,246)
Decrease in debtors	4,076	40
Increase/(decrease) in creditors	229	(2,469)
Net cash inflow /(outflow) from continuing operating activities	55	(6,675)

Notes to the financial statements for the year ended 31 December 1999

1 Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements have been prepared in accordance with the historical cost convention.

Group financial statements

The financial statements contain information about Celab Power Management Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 248 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as the group it heads qualifies as a medium sized group.

Fixed asset investment

Fixed asset investments are stated at cost less provision for any permanent diminution in value. Income from investments is included in the profit and loss account on an accruals basis.

2 Directors' emoluments

The remuneration paid to the directors of Celab Power Management Limited in respect of their capacity as directors of Celab Limited was:

	1999	1998
	£	£
Aggregate emoluments	94,104	89,285
Company pension contributions to defined contribution scheme	18,313	17,419

Retirement benefits are accruing to 2 directors (1998: 2) under the company's defined contribution scheme.

3 Employee information

There were no employees of the company during the year other than the directors.

4 Interest receivable

	1999	1998
	£	£
Bank interest	476	659
Interest from group undertaking	-	2,685
	476	3,344

5 Profit on ordinary activities before taxation

	1999	1998
	£	£
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration for audit	675	655

6 Tax on profit on ordinary activities

No taxation arises on the result for the year.

7 Dividends

	1999	1998
	£	£
Dividends on equity shares;		
Ordinary - Interim of £8.80 per share (1998: £nil)	44,000	-
- Interim of £30 per share (1998: £nil)	150,000	-
	194,000	-

8 Fixed asset investments

	Investment in group undertakings £
Cost	
At 1 January 1999 and 31 December 1999	36,894

The fixed asset investment comprises:

Name	Country of registration	Description of shares held		Share capital & reserves	Profit for year
		Class	%		
Celab Limited	England	Ordinary £1 each	100	1,441,349 (1998:1,384,277)	57,072 (1998:165,204)

Celab Limited designs, manufactures and markets electronic power supply equipment.

9 Debtors

	1999	1998
	£	£
Amounts falling due within one year		
Dividends receivable	-	4,000
Prepayments and accrued income	4	80
	4	4,080

10 Creditors - Amounts falling due within one year

	1999	1998
	£	£
Amounts owed to group undertaking	2,001	1,842
Other creditors	9,367	9,367
Accruals and deferred income	775	705
	12,143	11,914

11 Called-up share capital

	1999	1998
	£	£
Authorised, allotted, called up and fully paid		
5,000 ordinary shares of £1 each	5,000	5,000

12 Reconciliation of movements in shareholders' funds

	1999	1998
	£	£
(Loss)/profit for the financial year	146,226	3,098
Dividends paid	(194,000)	-
Opening shareholders' funds	73,955	70,857
Closing shareholders' funds	26,181	73,955

13 Related party transactions

Name of connected party	Description of relationship	Description of transactions	Amount £	Amount owed (to)/by related party at 31 December 1999 £
Celab Limited	Subsidiary undertaking	Dividend	150,000 (1998: 4,000)	- (1998: 4,000)
		Management charge	3,500 (1998: 3,500)	(2,001) (1998: (1,842))

14 Controlling party

Mr B Wood, the chairman, is the controlling party by virtue of his controlling interest in the company's share capital.