

Registered no: 2480708

Celab Power Management Limited
Annual report
for the year ended 31 December 2001



Celab Power Management Limited

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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 2001

The directors present their report and the audited financial statements of the company for the year ended 31 December 2001.

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 2001 Celab Limited achieved a satisfactory result and finished the year with a strong order book in excess of £7m.

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 £50.00 per ordinary share were paid on 30 May 2001 and of £40.00 per ordinary share on 12 December 2001 amounting to £450,000 (2000: £450,000). The directors do not recommend payment of a final dividend (2000: £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 2001 in the shares of the company were:

	Number of ordinary shares £1 each	
	31 December 2001	1 January 2001
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.

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. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2001 and that applicable accounting standards have been followed.

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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, PricewaterhouseCoopers have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the annual general meeting.

By order of the Board

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

R Mier
Company secretary

**Independent auditors' report to the members of
Celab Power Management Limited**

We have audited the financial statements which comprise the profit and loss account, the balance sheet, cash flow statement and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom, law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 is not disclosed.

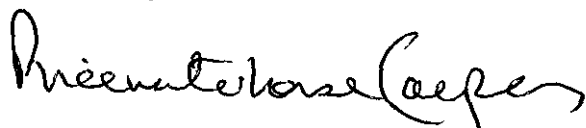
Basis of audit opinion

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 company's affairs at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Reading

9 April 2002

Profit and loss account for the year ended 31 December 2001

	Note	2001 £	2000 £
Administrative expenses		(4,741)	(4,644)
Operating loss	5	(4,741)	(4,644)
Income from shares in group undertakings		460,000	460,000
Interest receivable and similar income	4	21	26
Profit on ordinary activities before taxation		455,280	455,382
Tax on profit on ordinary activities	6	-	-
Profit on ordinary activities after taxation		455,280	455,382
Dividends	7	(450,000)	(450,000)
Retained profit for the financial year		5,280	5,382
Amounts transferred to reserves			
At 1 January 2001		26,563	21,181
Profit for the year		5,280	5,382
At 31 December 2001		31,843	26,563

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 retained profit for the years stated above, and their historical cost equivalents.

Balance sheet as at 31 December 2001

	Note	£	2001 £	£	2000 £
Fixed assets					
Investments	8		27,527		36,894
Current assets					
Debtors	9	-		10,004	
Cash at bank and in hand		11,411	11,411	1,426	11,430
Creditors - Amounts falling due					
within one year	10		(2,095)		(16,761)
Net current assets/(liabilities)			9,316		(5,331)
Net assets			36,843		31,563
Capital and reserves					
Called-up share capital	11	5,000		5,000	
Profit and loss account		31,843		26,563	
Equity shareholders' funds	12		36,843		31,563

The financial statements on pages 5 to 11 were approved by the board of directors on 5TH APRIL, 2002 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 2001

	2001	2000
	£	£
Net cash outflow from continuing operating activities		
(reconciliation to operating loss on page 8)	(36)	(26)
Returns on investments and servicing of finance		
Income from shares in group undertakings	460,000	450,000
Interest received	21	26
	460,021	450,026
Equity dividends paid	(450,000)	(450,000)
Increase in cash in the period	9,985	-

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 loss to net cash outflow from operating activities

	2001	2000
	£	£
Continuing operating activities		
Operating loss	(4,741)	(4,644)
Decrease in investments	9,367	-
Decrease in debtors	10,004	-
(Decrease)/increase in creditors	(14,666)	4,618
Net cash outflow from continuing operating activities	(36)	(26)

Notes to the financial statements for the year ended 31 December 2001

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.

Pension scheme

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £19,496 (1999: £18,895). There were no outstanding contributions at the year end (1999: £Nil).

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:

	2001	2000
	£	£
Aggregate emoluments	94,390	94,136
Company pension contributions to defined contribution scheme	19,496	18,895

Retirement benefits are accruing to 2 directors (2000: 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 and similar income

	2001	2000
	£	£
Bank interest	21	26

5 Operating loss

	2001	2000
	£	£
Operating loss is stated after charging:		
Auditors' remuneration for audit	715	698

6 Tax on profit on ordinary activities

No taxation arises on the result for the year.

7 Dividends

	2001	2000
	£	£
Dividends on equity shares:		
Ordinary - Interim paid of £50 per share (2000: £40)	250,000	200,000
- Interim paid of £40 per share (2000: £50)	200,000	250,000
	450,000	450,000

8 Fixed asset investments

	Investment in group undertakings £
Cost	
At 1 January 2001	36,894
Adjustment to deferred consideration	(9,367)
At 31 December 2001	27,527

The carrying value of the investment in Celab Limited has been reduced as a result of an adjustment made to the original estimate for deferred consideration.

The fixed asset investment comprises:

Name	Country of registration	Description of shares held Class	%	Share capital & reserves £	Profit for year £
Celab Limited	England and Wales	Ordinary £1 each	100	1,551,970 (2000:1,472,036)	79,934 (2000:30,687)

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

9 Debtors

	2001	2000
	£	£
Amounts falling due within one year		
Amounts owed by group undertaking	-	10,000
Prepayments and accrued income	-	4
	-	10,004

10 Creditors - Amounts falling due within one year

	2001	2000
	£	£
Amounts owed to group undertaking	1,240	6,591
Other creditors	-	9,367
Accruals and deferred income	855	803
	2,095	16,761

11 Called-up share capital

	2001	2000
	£	£
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

	2001	2000
	£	£
Profit for the financial year	455,280	455,382
Dividends paid	(450,000)	(450,000)
Net addition to shareholders' funds	5,280	5,382
Opening shareholders' funds	31,563	26,181
Closing shareholders' funds	36,843	31,563

13 Related party transactions

Name of connected party	Description of relationship	Description of transactions	Amount	Amount owed (to)/by related party at 31 December 2001
			£	£
Celab Limited	Subsidiary undertaking	Dividend	460,000	-
			(2000: 460,000)	(2000: 10,000)
		Management charge	3,850	(1,240)
			(2000: 3,850)	(2000: (6,591))

14 Controlling party

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