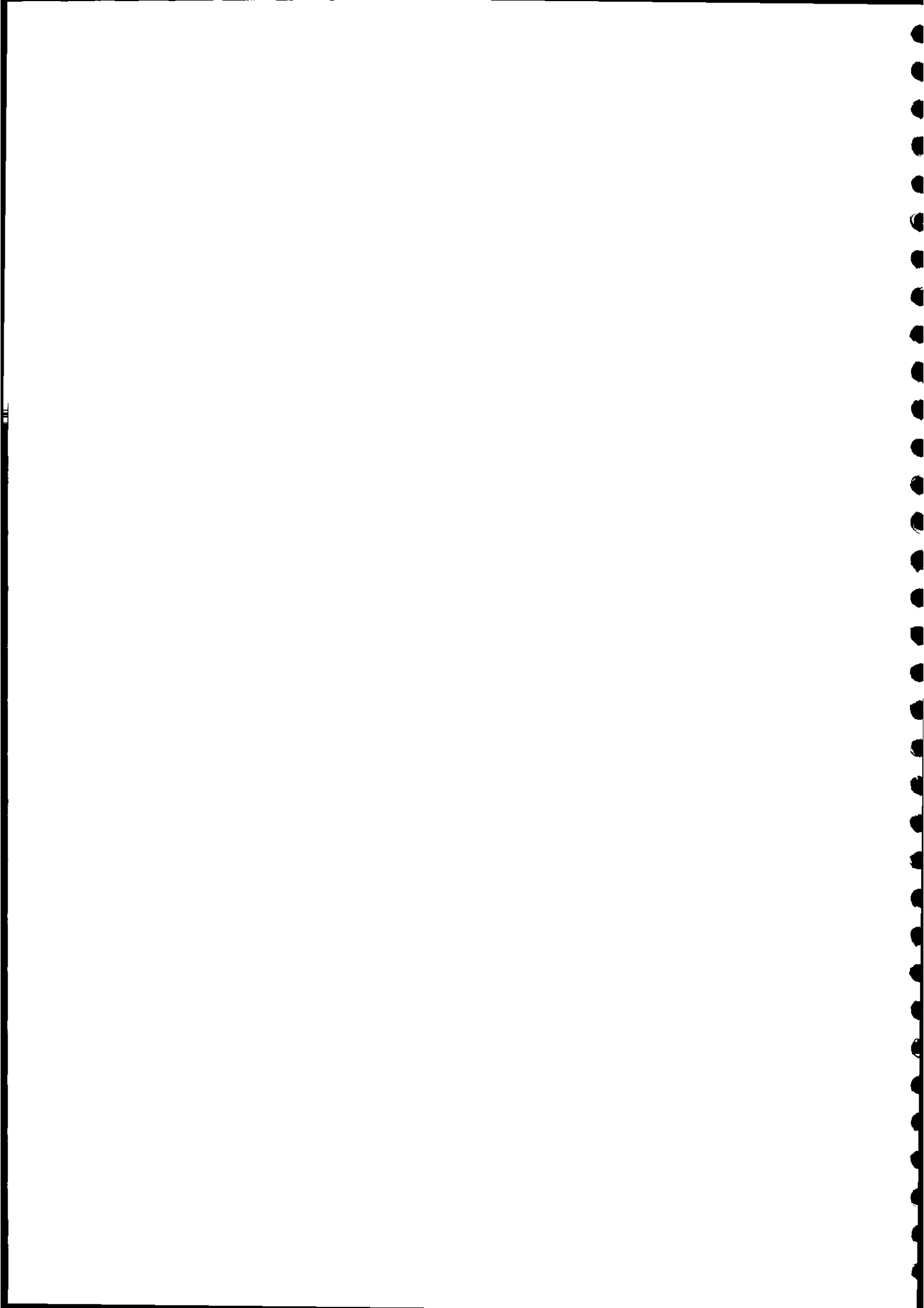


Registered no: 2480708

Celab Power Management Limited
Annual report
for the year ended 31 December 2002

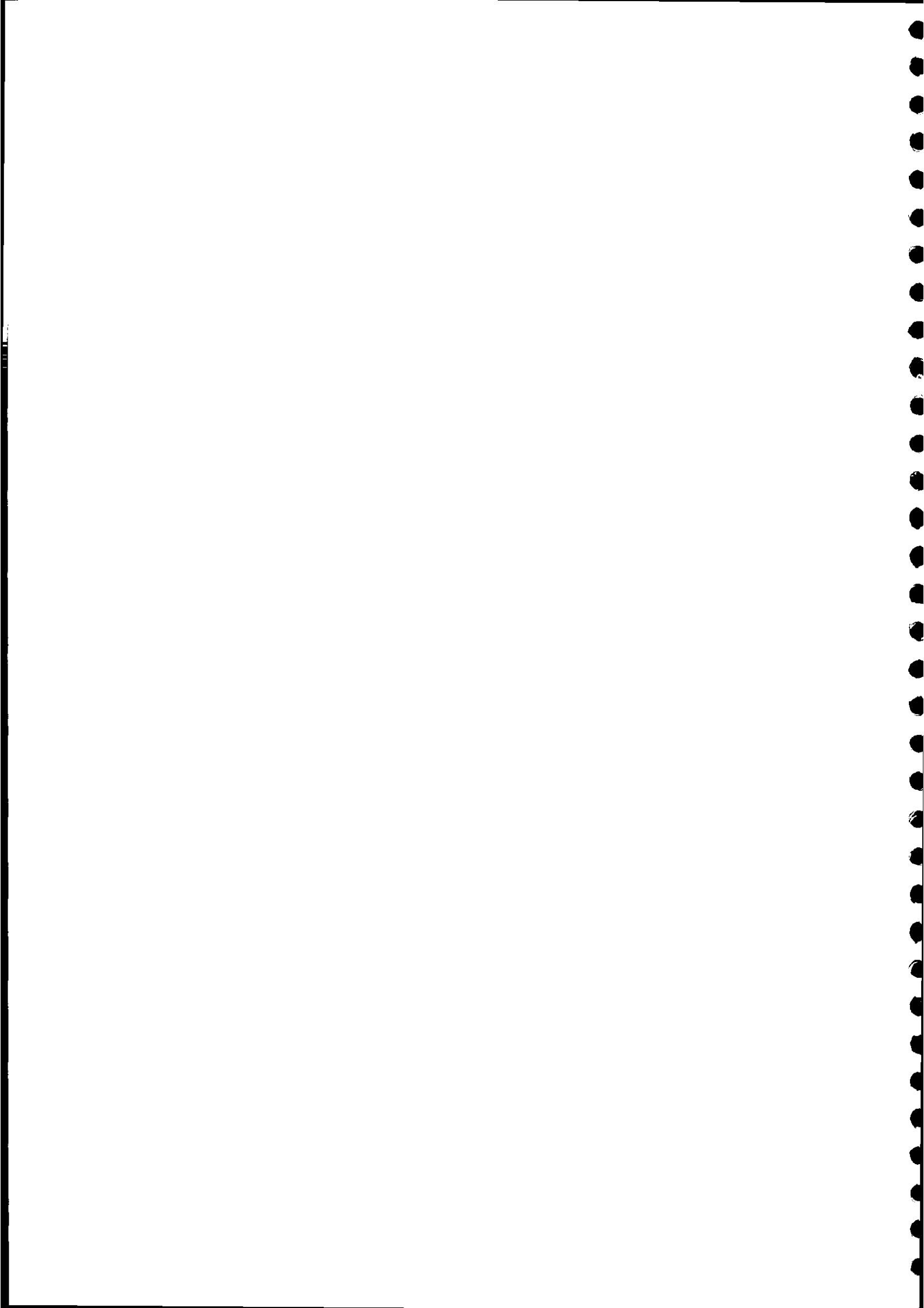




Celab Power Management Limited

Annual report for the year ended 31 December 2002

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Celab Power Management Limited

1

Directors and advisers

Executive directors

B C D Wood - Chairman & Managing
R Mier

Company secretary and registered office

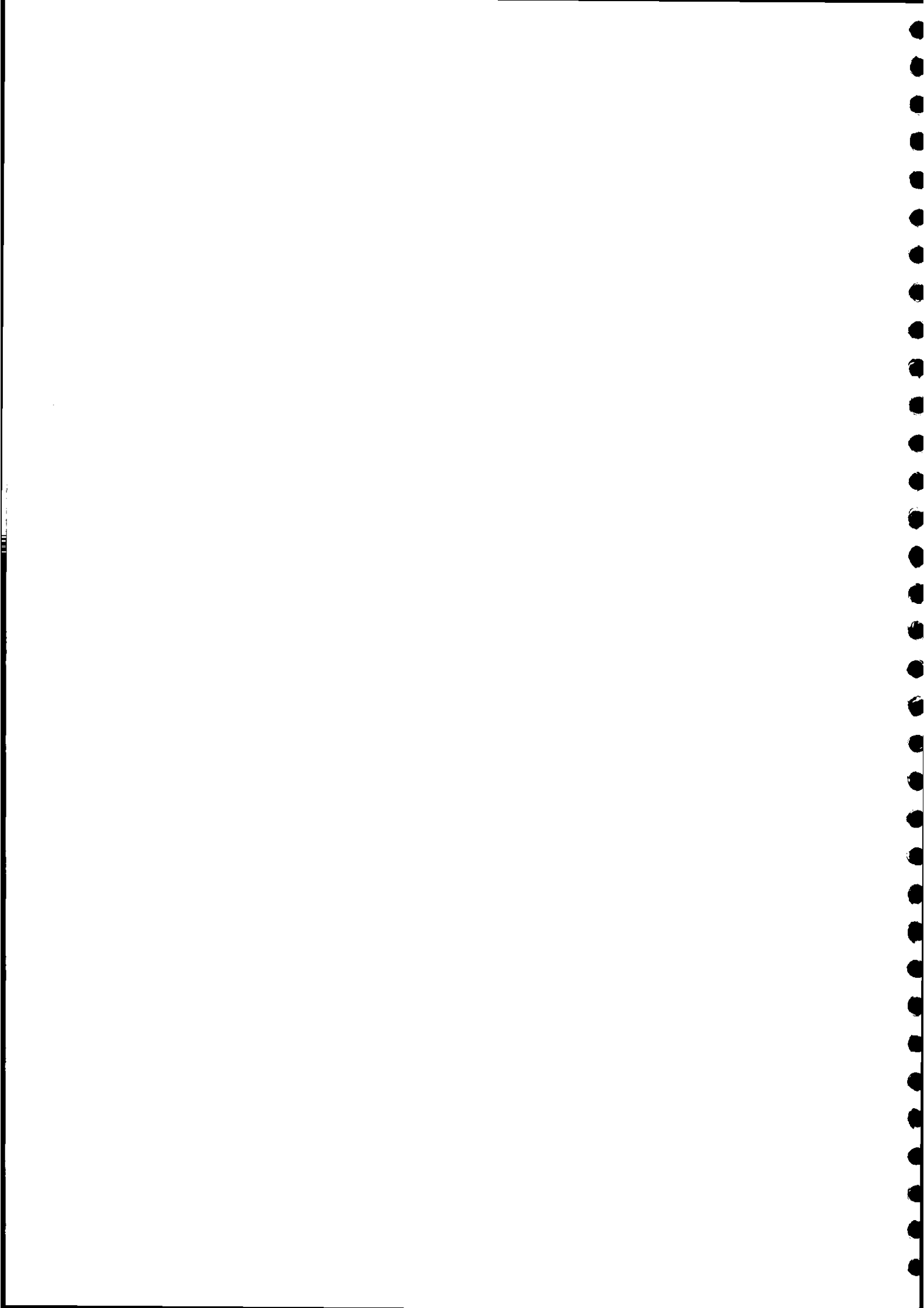
R Mier
25 Woolmer Way
Bordon
Hampshire
GU35 9QE

Auditors

PricewaterhouseCoopers LLP
9 Greyfriars Road
Reading
RG1 1JG

Bankers

HSBC Bank plc
33 The Borough
Farnham
Surrey
GU9 7NJ



Directors' report for the year ended 31 December 2002

The directors present their report and the audited financial statements of the company for the year ended 31 December 2002.

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 2002 Celab Limited achieved a satisfactory result and finished the year with a strong order book in excess of £8m.

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 £20.00 per ordinary share were paid on 24th July 2002 and of £70.00 per ordinary share on 24 December 2002 amounting to £450,000 (2001: £450,000). The directors do not recommend payment of a final dividend (2001: £Nil).

Directors and their interests

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

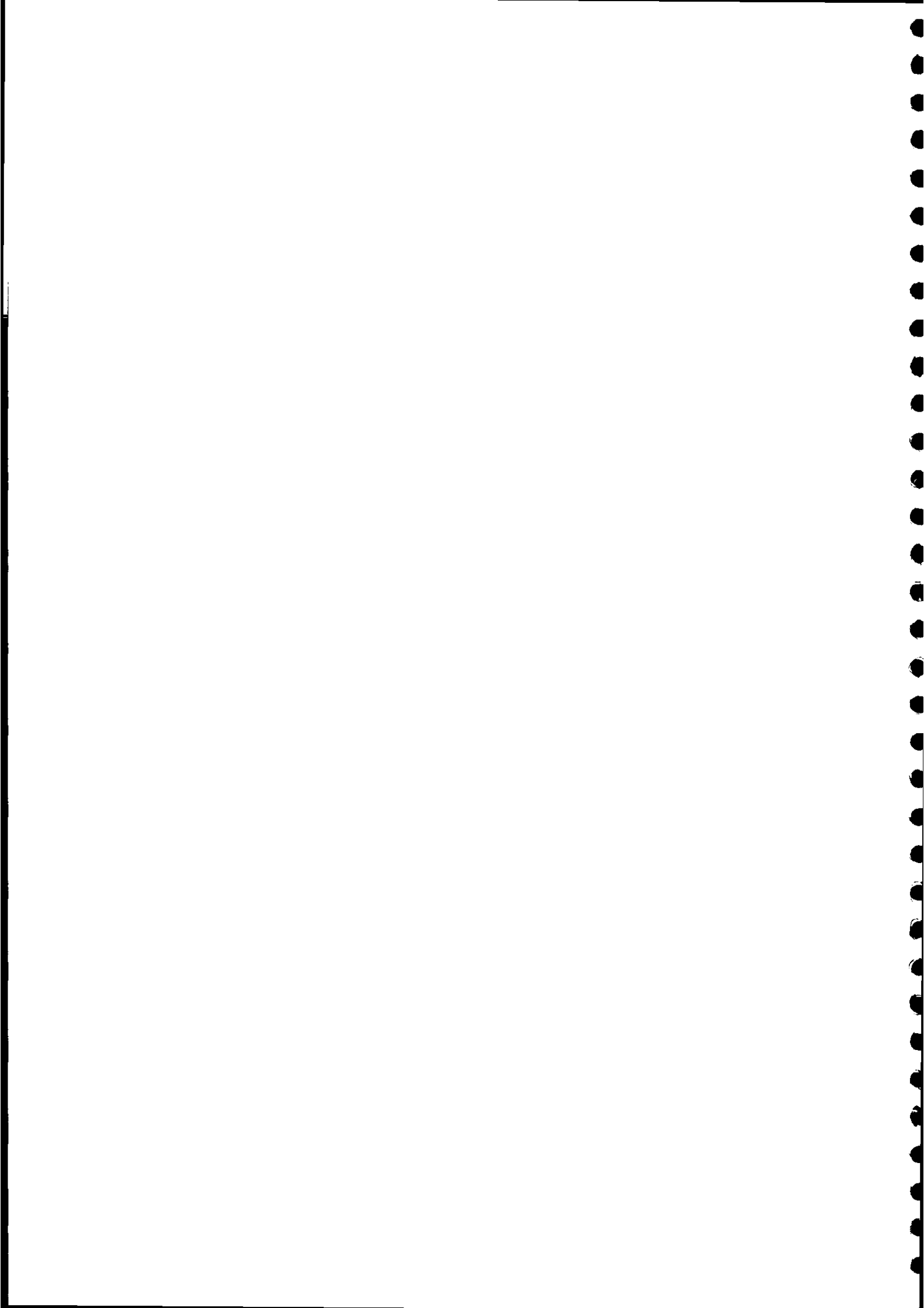
B C D Wood
R Mier

The interests of the directors at 31 December 2002 in the shares of the company were:

	Number of ordinary shares £1 each	
	31 December 2002	1 January 2002
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 with the exception of the changes arising on the adoption of new accounting standards in the year as explained on page 9 under Note 1 'Accounting Policies'. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2002 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.

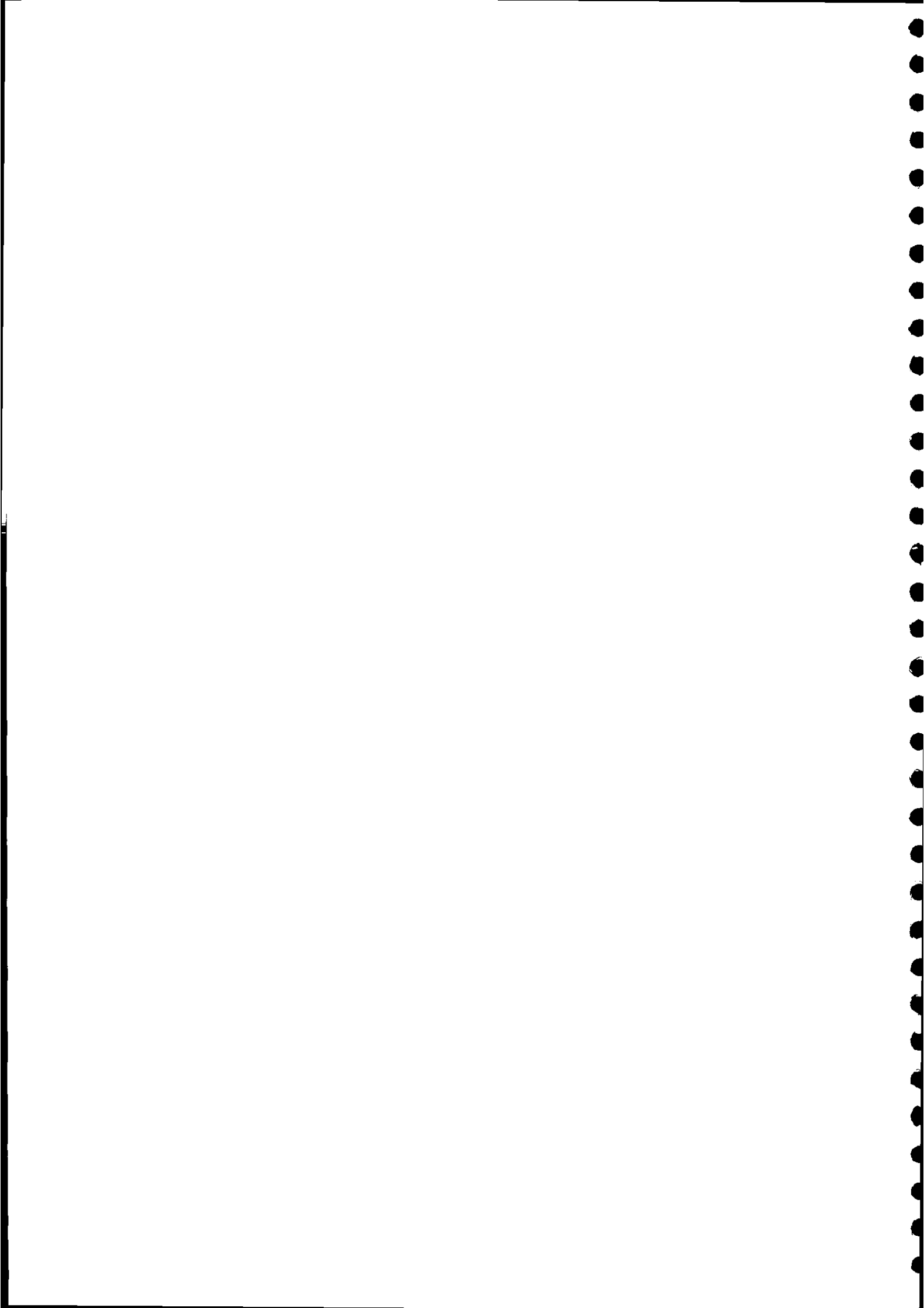
Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 19 February 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP. A resolution to reappoint PricewaterhouseCoopers LLP will be proposed at the Annual General Meeting.

By order of the Board



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. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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.

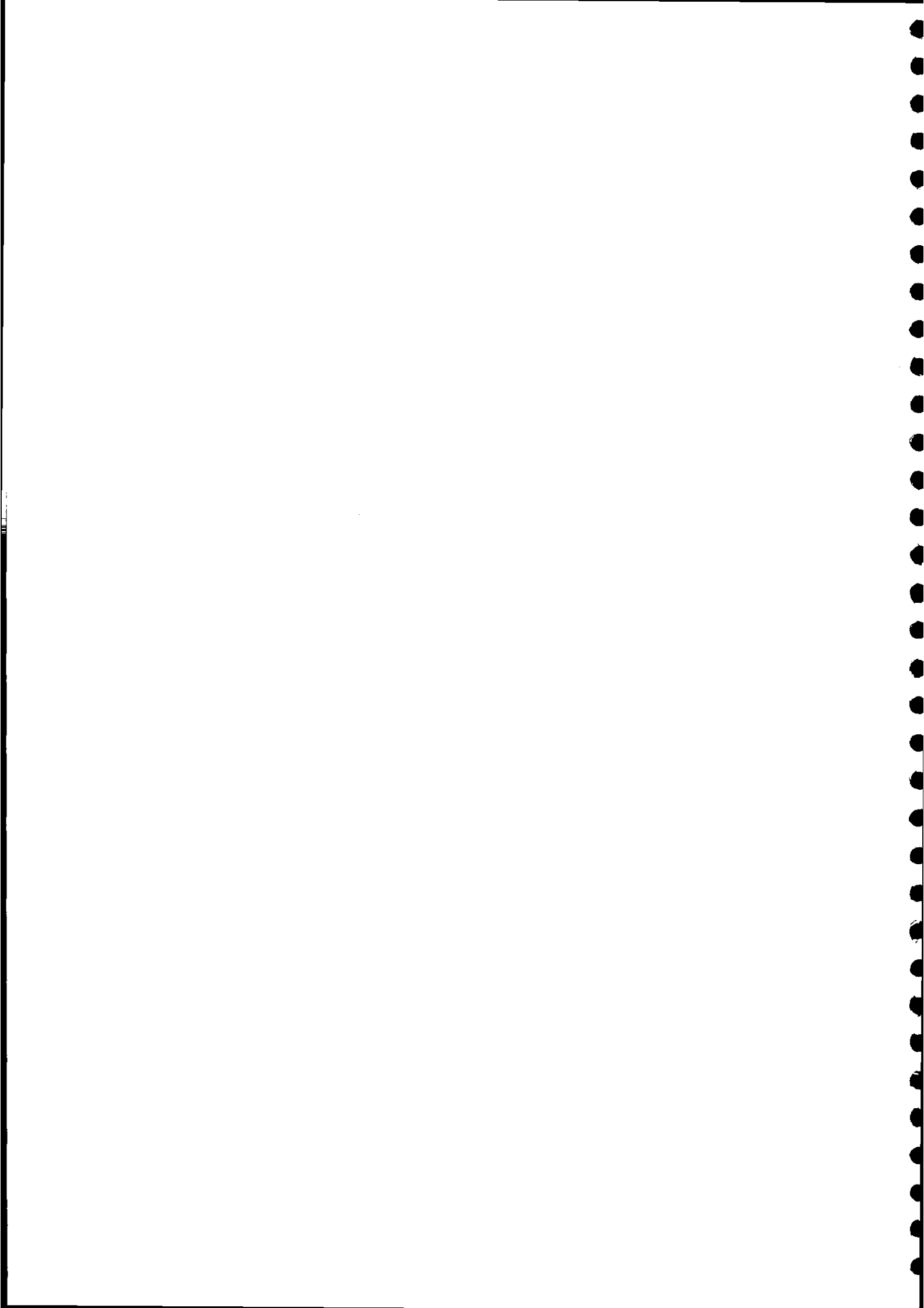
Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Reading

13 May 2003



Profit and loss account for the year ended 31 December 2002

	Note	2002 £	2001 £
Administrative expenses		(4,795)	(4,741)
Operating loss	5	(4,795)	(4,741)
Income from shares in group undertakings		455,000	460,000
Interest receivable and similar income	4	45	21
Profit on ordinary activities before taxation		450,250	455,280
Tax on profit on ordinary activities	6	-	-
Profit on ordinary activities after taxation		450,250	455,280
Dividends	7	(450,000)	(450,000)
Retained profit for the financial year		250	5,280
Amounts transferred to reserves			
At 1 January 2002		31,843	26,563
Profit for the year		250	5,280
At 31 December 2002		32,093	31,843

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 2002

	Note	£	2002 £	£	2001 £
Fixed assets					
Investments	8		27,527		27,527
Current assets					
Debtors	9	4		-	
Cash at bank and in hand		16,401	16,405	11,411	11,411
Creditors - Amounts falling due					
within one year	10		(6,839)		(2,095)
Net current assets			9,566		9,316
Net assets			37,093		36,843
Capital and reserves					
Called-up share capital	11	5,000		5,000	
Profit and loss account		32,093		31,843	
Equity shareholders' funds	12		37,093		36,843

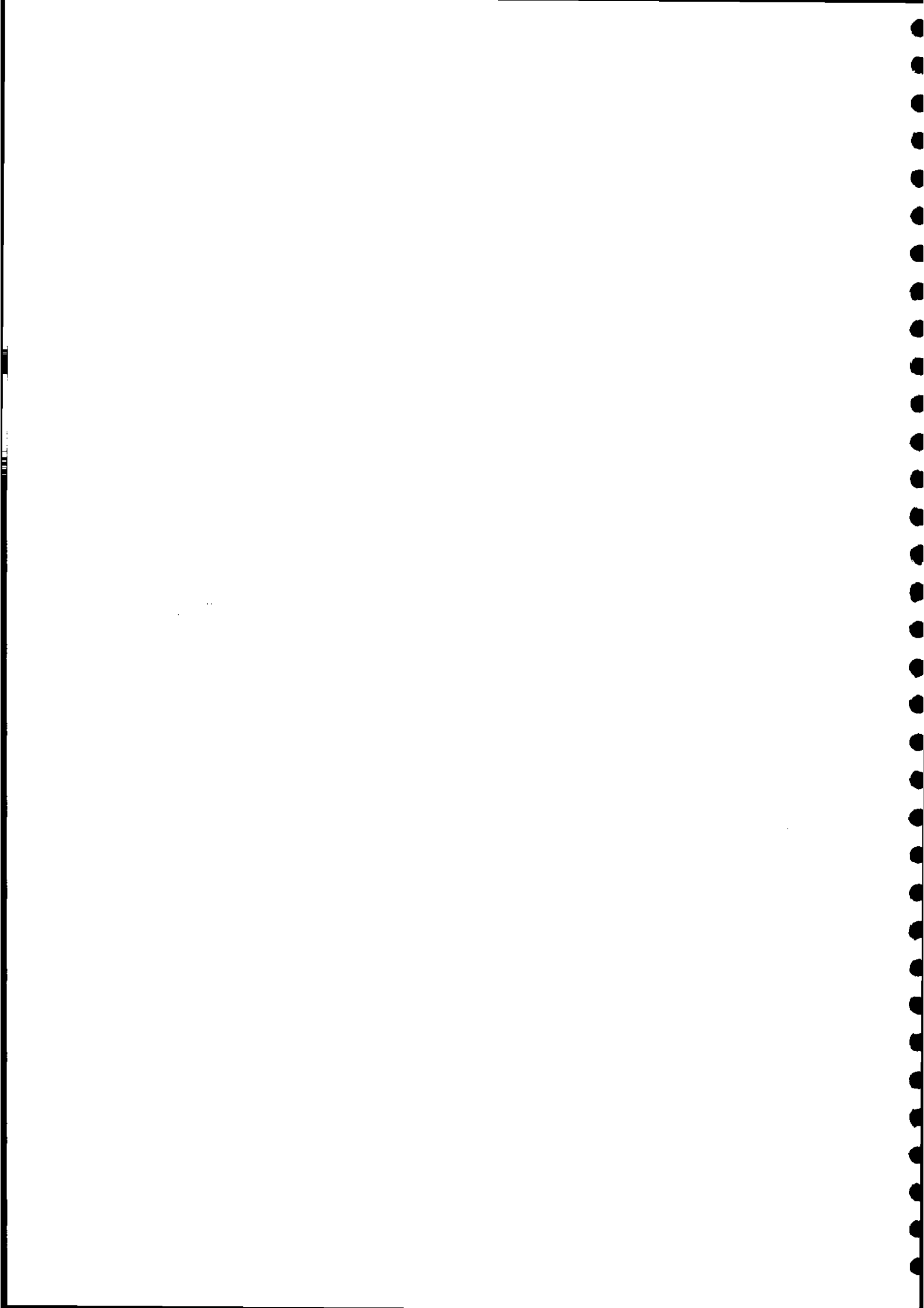
The financial statements on pages 5 to 12 were approved by the board of directors on 8TH MAY, 2003 and were signed on its behalf by:



B C D Wood
Managing Director



R Mier
Finance Director



Cash flow statement for the year ended 31 December 2002

	2002	2001
	£	£
Net cash outflow from continuing operating activities		
(reconciliation to operating loss on page 8)	(55)	(36)
Returns on investments and servicing of finance		
Income from shares in group undertakings	455,000	460,000
Interest received	45	21
	455,045	460,021
Equity dividends paid	(450,000)	(450,000)
Increase in cash in the period	4,990	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

	2002	2001
	£	£
Continuing operating activities		
Operating loss	(4,795)	(4,741)
Decrease in investments	-	9,367
(Increase)/decrease in debtors	(4)	10,004
Increase/(decrease) in creditors	4,744	(14,666)
Net cash outflow from continuing operating activities	(55)	(36)

Notes to the financial statements for the year ended 31 December 2002**1 Accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the Companies Act 1985. A summary of the more important accounting policies, is set out below.

Basis of accounting

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

New accounting standard

The directors have adopted the recently issued accounting standard FRS 19 (Deferred tax) in the current year. This did not result in any changes being made to the deferred taxation provided in the financial statements at 31 December 2002 or 31 December 2001.

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 £19,006 (2001: £19,496). There were no outstanding contributions at the year end (2001: £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:

	2002	2001
	£	£
Aggregate emoluments	97,447	94,390
Company pension contributions to defined contribution scheme	19,006	19,496

Retirement benefits are accruing to 2 directors (2001: 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

	2002	2001
	£	£
Bank interest	45	21

5 Operating loss

	2002	2001
	£	£
Operating loss is stated after charging:		
Auditors' remuneration for audit	750	715

6 Tax on profit on ordinary activities

No taxation arises on the result for the year.

7 Dividends

	2002	2001
	£	£
Dividends on equity shares:		
Ordinary - Interim paid of £20 per share (2001: £50)	100,000	250,000
- Interim paid of £70 per share (2001: £40)	350,000	200,000
	450,000	450,000

8 Fixed asset investments

	Investment in group undertakings £
Cost	
At 1 January 2002 and 31 December 2002	27,527

The fixed asset investment comprises:

Name	Country of registration	Description of shares held	Share capital & reserves	Profit for year
		Class	%	£
Celab Limited	England and Wales	Ordinary £1 each	100	1,853,743
				(2001 restated: £1,675,858)
				177,885
				(2001 restated: loss of £73,528)

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

9 Debtors

	2002	2001
	£	£
Amounts falling due within one year		
Prepayments and accrued income	4	-
	4	-

10 Creditors - Amounts falling due within one year

	2002	2001
	£	£
Amounts owed to group undertaking	5,919	1,240
Accruals and deferred income	920	855
	6,839	2,095

11 Called-up share capital

	2002	2001
	£	£
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

	2002	2001
	£	£
Profit for the financial year	450,250	455,280
Dividends paid	(450,000)	(450,000)
Net addition to shareholders' funds	250	5,280
Opening shareholders' funds	36,843	31,563
Closing shareholders' funds	37,093	36,843

13 Related party transactions

Name of connected party	Description of relationship	Description of transactions	Amount	Amount owed to related party at 31 December 2002
			£	£
Celab Limited	Subsidiary undertaking	Dividend	455,000	-
			(2001: 460,000)	(2001: £nil)
		Management charge	3,850	5,919
			(2001: 3,850)	(2001: 1,240)

14 Controlling party

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