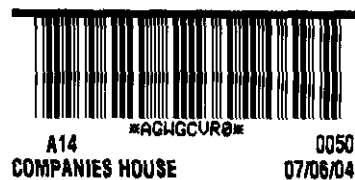


**Report of the Directors and
Financial Statements
for the Year Ended 31 December 2003
for
Celab Power Management Limited**

2480708



Celab Power Management Limited

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for the Year Ended 31 December 2003**

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Celab Power Management Limited
Company Information
for the Year Ended 31 December 2003

DIRECTORS: B C D Wood – Chairman & Managing
R Mier

SECRETARY: R Mier

REGISTERED OFFICE: 25 Woolmer Way
Bordon
Hampshire
GU7 1LQ

REGISTERED NUMBER: 2480708

AUDITORS: Roffe Swayne
Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

BANKERS: HSBC Bank plc
33 The Borough
Farnham
Surrey
GU9 7NJ

Celab Power Management Limited

Report of the Directors for the Year Ended 31 December 2003

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of holding company of Celab Ltd, a company which designs, manufactures and markets electronic power supply equipment.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The results for the year and financial position of the company are as shown in the annexed financial statements.

In 2003 Celab Limited achieved a satisfactory result and finished the year with a strong order book in excess of £7.5m.

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

DIVIDENDS

There were no dividends paid during the year.

DIRECTORS

The directors during the year under review were:

B C D Wood
R Mier

The beneficial interests of the directors holding office on 31 December 2003 in the issued share capital of the company were as follows:

	31.12.03	1.1.03
Ordinary £1 shares		
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 which 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;
- 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

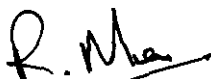
Celab Power Management Limited

**Report of the Directors
for the Year Ended 31 December 2003**

AUDITORS

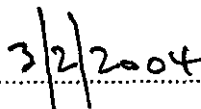
The auditors, Roffe Swayne, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



.....
R Mier - Director

Date:



**Report of the Independent Auditors to the Shareholders of
Celab Power Management Limited**

We have audited the financial statements of Celab Power Management Limited for the year ended 31 December 2003 on pages five to eleven. These financial statements have been prepared 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 the company's affairs as at 31 December 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Roffe Swayne
Ashcombe Court
Woolsack Way
Godalming
Surrey
GU7 1LQ

Roffe Swayne

Date: 3 February 2004

Celab Power Management Limited
Profit and Loss Account
for the Year Ended 31 December 2003

	Notes	2003		2002	
		£	£	£	£
TURNOVER			-		-
Administrative expenses			<u>5,167</u>		<u>4,795</u>
OPERATING LOSS	3		(5,167)		(4,795)
Income from shares in group undertakings		-		455,000	
Interest receivable and similar income		<u>211</u>	<u>211</u>	<u>45</u>	<u>455,045</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			(4,956)		450,250
Tax on (loss)/profit on ordinary activities	4		<u>-</u>		<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			(4,956)		450,250
Dividends	5		<u>-</u>		<u>450,000</u>
			(4,956)		250
Retained profit brought forward			<u>32,093</u>		<u>31,843</u>
RETAINED PROFIT CARRIED FORWARD			<u>£27,137</u>		<u>£32,093</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

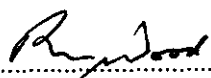
The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year.

Celab Power Management Limited

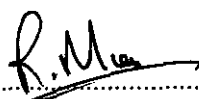
**Balance Sheet
31 December 2003**

		<u>2003</u>		<u>2002</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Investments	6		27,527		27,527
CURRENT ASSETS:					
Debtors	7	-		4	
Cash at bank and in hand		<u>5,525</u>		<u>16,401</u>	
		5,525		16,405	
CREDITORS: Amounts falling due within one year	8	<u>915</u>		<u>6,839</u>	
NET CURRENT ASSETS:			<u>4,610</u>		<u>9,566</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£32,137</u>		<u>£37,093</u>
CAPITAL AND RESERVES:					
Called up share capital	9		5,000		5,000
Profit and loss account			<u>27,137</u>		<u>32,093</u>
SHAREHOLDERS' FUNDS:	11		<u>£32,137</u>		<u>£37,093</u>

ON BEHALF OF THE BOARD:



 B C D Wood - Director



 R Mier - Director

Approved by the Board on 3/2/2004

Celab Power Management Limited

**Cash Flow Statement
for the Year Ended 31 December 2003**

	<u>2003</u>	<u>2002</u>
	£	£
Net cash outflow from operating activities (note 1)	(11,087)	(55)
Returns on investments and servicing of finance		
Income from shares in group undertakings	-	455,000
Interest received	<u>211</u>	<u>45</u>
	211	455,045
Equity dividends paid	<u>-</u>	<u>(450,000)</u>
(Decrease)/Increase in cash in the period	<u><u>£(10,876)</u></u>	<u><u>£4,990</u></u>

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.

Celab Power Management Limited

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2003**

1. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2003 £	2002 £
Operating loss	(5,167)	(4,795)
Decrease/(Increase) in debtors	4	(4)
(Decrease)/Increase in creditors	<u>(5,924)</u>	<u>4,744</u>
Net cash outflow from operating activities	<u>(11,087)</u>	<u>(55)</u>

Celab Power Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2003

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 policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements have been prepared under the historic 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.

Pensions

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 Celab Limited.

2. STAFF COSTS

The company had no employees during the current or prior year.

3. OPERATING LOSS

The operating loss is stated after charging:

	2003 £	2002 £
Auditors' remuneration	<u>750</u>	<u>750</u>
Directors' emoluments	101,741	97,447
Company pension contributions to money purchase schemes	<u>21,954</u>	<u>19,006</u>

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

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	----------	----------

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

4. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2003 nor for the year ended 31 December 2002.

Celab Power Management Limited
Notes to the Financial Statements
for the Year Ended 31 December 2003

5. DIVIDENDS

	2003 £	2002 £
Equity shares:		
Interim - ordinary shares	<u>-</u>	<u>450,000</u>

6. FIXED ASSET INVESTMENTS

COST:		£
At 1 January 2003		
and 31 December 2003		<u>27,527</u>
NET BOOK VALUE:		
At 31 December 2003		<u>27,527</u>
At 31 December 2002		<u>27,527</u>
	2003 £	2002 £
Unlisted investments	<u>27,527</u>	<u>27,527</u>

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

Celab Limited

Nature of business: Design, manufacture and marketing of electronic power supply equipment.

Class of shares:	% holding	2003 £	2002 £
Ordinary £1	100.00		
Aggregate capital and reserves		2,535,364	1,853,743
Profit for the year		<u>681,621</u>	<u>177,885</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Prepayments & accrued income	<u>-</u>	<u>4</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Amounts owed to group undertaking	-	5,919
Accruals and deferred income	<u>915</u>	<u>920</u>
	<u>915</u>	<u>6,839</u>

Celab Power Management Limited

**Notes to the Financial Statements
for the Year Ended 31 December 2003**

9. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2003 £	2002 £
5,000	Ordinary	£1	<u>5,000</u>	<u>5,000</u>

10. RELATED PARTY DISCLOSURES

During the year, a management charge of £4,235 (2002: £3,850) was payable to the company's subsidiary undertaking, Celab Limited.

Included in creditors at the year end was £Nil (2002: £5,920) owed to Celab Limited.

In 2002, a dividend of £455,000 was received from Celab Limited.

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
(Loss)/Profit for the financial year	(4,956)	450,250
Dividends	<u>-</u>	<u>(450,000)</u>
Net (reduction)/addition to shareholders' funds	(4,956)	250
Opening shareholders' funds	<u>37,093</u>	<u>36,843</u>
Closing shareholders' funds	<u>32,137</u>	<u>37,093</u>
 Equity interests	 <u>32,137</u>	 <u>37,093</u>

12. CONTROLLING PARTY

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