Registered in England and Wales
Number: 2235556

POWER CENTRE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1996

POWER CENTRE LIMITED

Report of the directors for
the year ended 31 December 1996

1. The directors present herewith the audited financial statements for the year ended 31 December 1996.

Principal activities

2. The principal activities of the company are the manufacture and sale of electrical installation equipment and industrial plugs and sockets.

Review of business and future developments

3. Both the level of business and the year end financial position were satisfactory. The directors expect the present level of activity to continue for the foreseeable future.

Results and Dividends

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

   The directors do not recommend the payment of a dividend. The profit for the year of £246,000 will be credited to reserves.

Directors

5. The directors of the company during the year were:

   Mr. B. Verspieren (Chairman)
   Mr. E. Decoster

   In accordance with the Articles of Association the directors are not required to retire by rotation.

Post balance sheet events

6. On the 1 January 1997 the business, assets and liabilities of Rolfe King Limited, a wholly owned subsidiary, were transferred to the company.

Directors' interests in shares of the company

7. The company is a wholly owned subsidiary of Legrand UK Limited, which in turn is a wholly owned subsidiary of Legrand S.A., a company incorporated in France. As permitted by Statutory Instrument, the directors are not required to notify the company of details of any interests in shares, debentures, or options in any company in the group.

Auditors

8. A resolution to reappoint Coopers & Lybrand as the company's auditors will be proposed at the annual general meeting.

BY ORDER OF THE BOARD

G A DONNELLY
Secretary

13th October 1997

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;
- 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 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.

B. VERSPIEREN
Chairman

13th October 1997

Report of the auditors to the members of
POWER CENTRE LIMITED

We have audited the financial statements on pages 5 to 18.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

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 company's affairs at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers + Lybrand.

COOPERS & LYBRAND
Chartered Accountants and Registered Auditors
MILTON KEYNES

13 October 1997.

Profit and loss account for
the year ended 31 December 1996

	Notes	1996 £000	1995 £000
TURNOVER - continuing operations	2	5,838	5,721
Cost of Sales - continuing operations		(4,554)	(4,171)
Gross profit - continuing operations		1,284	1,550
Distribution costs - continuing operations		(338)	(319)
Administrative expenses-continuing operations		(1,301)	(1,293)
Operating loss - continuing operations	5	(355)	(62)
Interest receivable and similar income		-	-
Interest payable and similar charges	4	(14)	(16)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(369)	(78)
TAXATION ON LOSS ON ORDINARY ACTIVITIES	7	615	5
PROFIT/(LOSS) FOR THE YEAR		246	(73)

The company has no recognised gains and losses other than those detailed above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the year stated above, and their historical cost equivalents.

Balance Sheet - 31 December 1996

	Notes	1996 £000	1996 £000	1995 £000	1995 £000
FIXED ASSETS					
Tangible assets	8		1,895		1,655
Investments	9		482		482
CURRENT ASSETS					
Stocks	10	868		791	
Debtors	11	1,681		1,011	
Cash at bank and in hand		1		1	
		2,550		1,803	
CREDITORS: amounts falling due within one year	12	(2,510)		(2,034)	
NET CURRENT LIABILITIES			40		(231)
Total assets less current liabilities			2,417		1,906
CREDITORS: Amounts falling due after one year	13		(2,000)		(1,735)
			417		171
CAPITAL AND RESERVES					
Called up share capital	17		1,456		1,456
Share premium account	18		1		1
Profit and loss account	18		(962)		(1,149)
Other reserves - goodwill write off reserve	18		(78)		(137)
Equity shareholders' funds	19		417		171

The financial statements on pages 5 to 18 were approved by the board on 13th October 1997

B VERSPIEREN
Director

E DECOSTER
Director

PRINCIPAL ACCOUNTING POLICIES

1. 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.

   (a) Basis of Accounting

   The financial statements have been prepared in accordance with the historical cost convention as modified by the revaluation of land and buildings.

   The company is exempt from preparing consolidated financial statements because it is included in the consolidated financial statements of its ultimate parent company which is established in an EC member state (see note 22).

   (b) Fixed Assets

   Fixed assets are stated at their purchase cost together with any incidental costs of acquisition modified by the revaluation of the land and buildings.

   Depreciation is calculated so as to write off the cost of fixed assets on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Freehold buildings	2.5%
Leasehold premises	Over the period of the lease
Plant and machinery:	
Tooling	20%
Computer hardware	20%
Other	10% & 12.5%
Motor vehicles	25%
Fixtures and fittings	10% - 20%

   Gains and losses on disposal are credited or charged to the profit and loss account when they occur and the relevant gross value and accumulated depreciation eliminated from the financial statements.

   (c) Grants

   Grants receivable on capital expenditure are deducted from the cost of the relevant assets.

   (d) Goodwill

   Any excess of the purchase consideration over the fair value of the net tangible assets of an acquired business is written off to reserves in the year of acquisition. The net assets of companies acquired are incorporated into the consolidated financial statements at the fair value to the group.

(e) Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs; in the case of manufactured products cost includes all direct expenditure and production overheads based on the normal level of activity. Net realisable value is the price at which the stock can be realised in the normal course of business after allowing for the costs of realisation and, where appropriate, the cost of conversion from its existing state to a finished condition. Provision is made for obsolete, slow moving and defective stock.

(f) Foreign currencies

Assets and liabilities expressed in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date, except where forward contract rates are used. Differences on exchange are included in operating profit.

(g) Turnover

Turnover represents sales in the ordinary course of business to external customers after deducting value added tax, trade discounts and turnover rebates.

(h) Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise. Full provision is made for deferred taxation on timing differences arising from the provision of employee pensions.

(i) Operating leases

Costs in respect of operating leases are charged in arriving at operating profit.

(j) Pension scheme arrangements

The expected cost of pensions in respect of the company's pension schemes is charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees in the schemes. The pension cost is assessed in accordance with the advice of qualified actuaries.

(k) Research and development expenditure

All expenditure on pure and applied research and development is written off as incurred.

(l) Cash flow statement

The company has taken advantage of the exemption given in Financial Reporting Standard No. 1 to wholly owned subsidiary undertakings and accordingly, a separate cashflow statement is not presented for the company.

(m) Related party disclosure

The company makes use of the exemption under FRS 8 for 90% owned subsidiaries not to disclose intra group transactions where these transactions have been consolidated within the group financial statements.

Notes to the financial statements - 31 December 1996 -continued

Turnover - continuing operations

2. The analysis of turnover by geographical market is as follows:

	1996 £000	1995 £000
United Kingdom	5,236	5,209
Middle East	438	224
Far East	60	175
Europe	98	79
Other	6	34
	5,838	5,721

All turnover arises from the company's principal activities.

Employee information

3.(a) The average number of persons employed by the company during the period is analysed below:

	1996	1995
Production	106	95
Selling, distribution and administration	39	40
	145	135

(b) Employment costs - all employees

	1996 £000	1995 £000
Wages and salaries	1,949	1,754
Employers' national insurance contributions	146	149
Employers' pension contributions	137	108
	2,232	2,011

Notes to the financial statements - 31 December 1996 - continued

Interest payable and similar charges

		1996 £000	1995 £000
4.	Bank loans and overdrafts	14	16
	Other loans not wholly repayable within five years	-	-
		14	16

Operating profit/(loss) - continuing operations

		1996 £000	1995 £000
5.	Operating profit/(loss) is stated after charging :		
	Auditors' remuneration - audit services	8	18
	Auditors' remuneration - non-audit services	-	1
	Depreciation of tangible fixed assets	179	100
	Profit on sale of fixed assets	4	-
	Operating leases	146	181
	Reorganisation costs	46	10

Directors' emoluments

6. Directors' emoluments:

The directors, including the chairman, are employed and remunerated as directors of Legrand SA, the ultimate parent company, in respect of their services to the Group as a whole. No charge has been made to the company for their services.

Tax on profit/(loss) on ordinary activities

	1996 £000	1995 £000
7. The charge for taxation is made up as follows:		
Group relief - consideration received in respect of current year	(513)	-
Group relief - consideration received in respect of prior years	(102)	(5)
	(615)	(5)

The company has unutilised tax losses of approximately £558,000 available for carry forward subject to agreement with the Inland Revenue.

Notes to the financial statements - 31 December 1996 - continued

Tangible fixed assets

		Freehold land and buildings £000	Plant and machinery £000	Motor vehicles, fixtures, fittings, tools and equipment £000	Total £000
8.	**Cost or valuation**				
	At 1 January 1996	970	1,054	483	2,507
	Additions	-	191	233	424
	Disposals	-	(14)	-	(14)
	Realignment	-	-	17	17
	At 31 December 1996	970	1,231	733	2,934
	Depreciation				
	At 1 January 1996	(12)	(442)	(398)	(852)
	Charged for year	(13)	(117)	(49)	(179)
	Disposals	-	9	-	9
	Realignment	-	-	(17)	(17)
	At 31 December 1996	(25)	(550)	(464)	(1,039)
	Net book value				
	At 31 December 1996	945	681	269	1,895
	At 31 December 1995	958	612	85	1,655

The amortisation of Government grants in previous years has resulted in a reduction in the depreciation charge for the year of £4,000.

Investments

		1996 £000	1995 £000
9.	Shares in subsidiary companies at cost At 1 January	482	482
	Further investment	-	-
	At 31 December	482	482

The Company's wholly owned principal subsidiary at 31 December 1996, which is incorporated and operates in England, is Rolfe King Limited. The principal activity of this company is the manufacture and sale of electrical installation equipment.

Stocks

10. The amounts attributable to the different categories are as follows:

	1996 £000	1995 £000
Raw materials and consumables	215	161
Work in progress	429	408
Finished goods and goods for resale	224	222
	868	791

Debtors

	1996 £000	1995 £000
11. Trade debtors	762	775
Amounts owed by parent and fellow subsidiary undertakings	807	124
Amounts owed by subsidiary undertakings	-	29
Prepayments and accrued income	112	83
	1,681	1,011

All the above amounts are due within one year of the balance sheet date.

Creditors amounts falling due within one year

	1996 £000	1995 £000
12. Bank loans and overdrafts	1,609	1,146
Trade creditors	698	722
Amounts owed to parent and fellow subsidiary undertakings	43	12
Amounts owed to subsidiary undertakings	23	-
Other taxes and social security	73	86
Other creditors	(4)	9
Accruals and deferred income	68	59
	2,510	2,034

Details of borrowings are shown in note 15.

Creditors - amounts falling due after more than one year

	1996 £000	1995 £000
13. Amounts owing to parent undertaking	2,000	1,685
Medium and long term loans	-	50
	2,000	1,735

Details of borrowings are shown in note 15.

Operating lease commitments

14. The lease payments falling due next year to which the company was committed as at 31 December 1996 are as follows:

	1996 £000	1995 £000
Leases in respect of plant and machinery, and motor vehicles expiring:		
Within one year	16	21
Between two and five years	81	122
Over five years	-	-
	97	143

Borrowings

15. These comprise:	1996 £000	1995 £000
Bank overdraft	1,559	1,096
Bank loans	50	100
	1,609	1,196
Other loans -	2,000	1,685
Total borrowings	3,609	2,881
Repayment of borrowings:		
Bank loans and overdrafts:		
In one year or less or on demand	1,609	1,146
Between two and five years	-	50
Amount owed to Legrand UK Limited	2,000	1,685
	3,609	2,881

The amount shown above owed to Legrand UK Limited is a non-interest bearing loan with no fixed date for repayment. The Directors of Legrand UK Limited have confirmed that no repayments are due within the next twelve months.

Notes to the financial statements - 31 December 1996 - continued

Provision for liabilities and charges

	1996		1995	
	Full potential liability	Amount provided	Full potential liability	Amount provided
	£000	£000	£000	£000
16. Deferred taxation at 33%:				
Group and Company				
Accelerated capital allowances and other timing differences	102	-	183	-
Available losses	(102)		(183)	-
	-	-	-	-

No provision has been made for any taxation which may arise in the event of any assets which are included in the financial statements at a figure in excess of their original cost being realised at that higher figure; these assets are held for the purpose of the company's business.

It is not considered that any notional liability will arise on the disposal of these assets due to indexation.

Notes to the financial statements - 31 December 1996 - continued

Called up share capital

	1996 £	1995 £
17. Authorised		
1,456,276 ordinary shares of £1 each	1,456,276	1,456,276

	1996 £	1995 £
Allotted, Called up and fully paid:		
1,456,276 ordinary shares of £1 each	1,456,276	1,456,276

Reserves

	Share premium £000	Profit and loss account £000	Goodwill write-off reserve £000
18. Balance at beginning of period	1	(1,149)	(137)
Retained profit for the period	-	246	
Amortisation of goodwill	-	(59)	59
Balance at end of period	1	(962)	(78)

Reconciliation of movement in shareholders funds

	1996 £000	1995 £000
19. Opening shareholders funds	171	244
Profit/(loss) for the period	246	(73)
Closing shareholders funds	417	171

Commitments and contingent liabilities

	1996 £000	1995 £000
20.(a) Capital commitments		
Expenditure contracted but not provided for in the financial statements	17	24

(b) Guarantees

Under a group banking arrangement the company has entered into a cross guarantee with Legrand UK Limited, Legrand Electric Limited, Tenby Industries Limited and Rolfe King Limited.

The net aggregate bank overdraft of the companies included in the cross guarantee at 31 December 1996 amounted to £1,093,000.

Pensions obligations

21. The company operates a defined benefit pension scheme, the Power Centre Holdings Limited Pension & Life Assurance Scheme, for its employees, the assets of which are held in a separate trustee administered fund.

The total pension cost during the period was £137,000 (1995: £108,000). The pension cost is assessed in accordance with the advice of an independent qualified actuary using the projected unit method. The latest actuarial valuation of the scheme was at 20 December 1994. The assumptions that have the most significant effect on the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment return would be 8.5% per annum, dividend increases would be 4% per annum, that salary increases would average 6% per annum and that present and future pensions would increase at the rate of 2.5% per annum.

At the date of the latest actuarial valuation, the market value of the assets of the scheme was £4,224,872 and the actuarial value of the assets was sufficient to cover 100% of the benefits which had accrued to members, after allowing for expected future increases in earnings. The contributions of the company and employees were 8.6% and 5% respectively.

Ultimate holding company

22. The immediate holding company is Legrand UK Limited

The ultimate holding company is Legrand S.A. which is incorporated in France. Copies of the ultimate holding company's consolidated financial statements are available from Legrand S.A., 128 Avenue de Lattre de Tassigny, 87045 - Limoges Cedex, France.