Registered in England and Wales
Number: 2235556

POWER CENTRE HOLDINGS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1995

POWER CENTRE HOLDINGS LIMITED

Report of the directors for
year ended 31 December 1995

1. The directors present their report and the audited financial statements for the year ended 31 December 1995.

Principal activities

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

   The principal activity of the company is 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 period end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

Results and Dividends

4. The directors do not recommend the payment of a dividend. The loss for the year of £73,000 will be transferred 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.

Changes in fixed assets

6. The movements in fixed assets during the period are set out in note 8 to the financial statements.

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 the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

BY ORDER OF THE BOARD

G A DONNELLY
Secretary

26 January 1996

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

Report of the auditors to the members of
POWER CENTRE HOLDINGS LIMITED

We have audited the financial statements on pages 5 to 19.

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 affairs of the company and the group at 31 December 1995 and of its loss and cash flows 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

23 September 1996.

Profit and loss account
for year ended 31 December 1995

	Notes	12 months to 31 December 1995 £000	8 months to 31 December 1994 £000
TURNOVER - continuing operations	2	5,721	3,819
Cost of Sales - continuing operations		(4,171)	(2,835)
Gross profit - continuing operations		1,550	984
Distribution costs - continuing operations		(319)	(287)
Administrative expenses-continuing operations		(1,293)	(886)
Operating profit/(loss)-continuing operations		(62)	(189)
Interest receivable and similar income		-	-
Interest payable and similar charges	4	(16)	(161)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(78)	(350)
TAXATION ON LOSS ON ORDINARY ACTIVITIES	7	5	-
LOSS FOR THE YEAR		(73)	(350)

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

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

Balance Sheet - 31 December 1995

	Notes	31 December 1995		31 December 1994	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	8		1,655		1,480
Investments	9		482		482
CURRENT ASSETS					
Stocks	10	791		614	
Debtors	11	1,011		1,020	
Cash at bank and in hand		1		1	
		1,803		1,635	
CREDITORS: amounts falling due within one year	12	(2,034)		(2,253)	
NET CURRENT LIABILITIES			(231)		(618)
Total assets less current liabilities			1,906		1,344
CREDITORS: Amounts falling due after more than one year	13		(1,735)		(1,100)
			171		244
CAPITAL AND RESERVES					
Called up share capital	17		1,456		1,456
Share premium account	18		1		1
Profit and loss account	18		(1,149)		(1,017)
Other reserves - goodwill write off reserve	18		(137)		(196)
Equity shareholders' funds	19		171		244

The financial statements on pages 5 to 19 were approved by the Board of Directors on 26 January 1996.

B VERSPIEREN
Director

E DECOSTER
Director

Cash flow statement for the year ended 31 December 1995

	Notes	12 months to 31 December 1995		8 months to 31 December 1994	
		£000	£000	£000	£000
NET CASH (OUTFLOW)/INFLOW FROM CONTINUING OPERATING ACTIVITIES	22		(247)		257
SERVICING OF FINANCE					
INTEREST PAID		(16)		(161)	
NET CASH (OUTFLOW) FROM SERVICING OF FINANCE			(16)		(161)
INVESTING ACTIVITIES					
Purchase of tangible fixed assets		(278)		(7)	
Sale of tangible fixed assets		3		-	
NET CASH OUTFLOW FROM INVESTING ACTIVITIES			(275)		(7)
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING			(538)		89
FINANCING					
Debenture repaid		-		(1,000)	
Additional loan from Parent Company		685		1,000	
Bank loan repaid		(685)		(64)	
ECSC loan repaid		(50)		(50)	
NET CASH OUTFLOW FROM FINANCING	23		(50)		(114)
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	24		(588)		(25)

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 under the historical cost convention as modified by the revaluation of certain tangible fixed assets. The company is exempt from preparing consolidated financial statements because it is included in the consolidated financial statements of its parent company which is established in an EC member state (see note 26).

   (b) 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.

   (c) Turnover

   Turnover represents supplies of goods net of discounts and rebates and is exclusive of value added tax.

   (d) Foreign currencies

   Assets and liabilities denominated in foreign currency have been translated into sterling at the rate of exchange ruling at the balance sheet date. Differences arising on trading transactions in the year are reflected in profit before taxation.

   (e) 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 provided on all fixed assets (except land) in use at the year end at equal annual rates calculated to write off the value of the relevant assets over their anticipated useful lives.
   The principal annual rates used for this purpose are:

Leased assets	-	Over the length of the lease on a straight line basis
Freehold buildings	-	2.5%
Plant	-	12.5% - 20%
Vehicles	-	25%
Office equipment	-	20%
Tooling	-	20%

(f) 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. Where necessary, provision is made for obsolete, slow moving and defective stocks. Stocks on consignment and their related obligations are recognised in current assets and creditors respectively on adoption of the consignment stock when the risks and rewards of ownership pass to the company.

(g) 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.

(h) Pension scheme arrangements

The company operates a defined benefit pension scheme. The fund is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period during which the company benefits from the employees' services. The effects of variations from regular cost are spread over the expected average remaining service lives of members in the scheme.

The company provides no other post retirement benefits to its employees.

(i) Research and development expenditure

Research and development costs are charged to the profit and loss account as and when incurred in accordance with group accounting policy.

(j) Leased assets

Fixed assets acquired under finance leasing contracts are recorded in the balance sheet as tangible fixed assets and are depreciated over the useful life of the asset. The corresponding capital element of future rentals is included in creditors. The finance charge is charged to the profit and loss account over the primary lease period. Operating lease charges are written off as incurred.

(k) Grants

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

Notes to the financial statements - 31 December 1995-continued

Turnover - continuing operations

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

	12 months to 31 December 1995 £'000	8 months to 31 December 1994 £'000
United Kingdom	5,209	3,101
Middle East	224	319
Far East	175	88
Europe	79	53
Other	34	258
	5,721	3,819

All turnover and profit before taxation arises from the company's principal activity being the manufacture and sale of electrical installation equipment and industrial plugs and sockets.

Employee information

3. The average number of persons employed by the company during the year was as follows:

	12 months to 31 December 1995	8 months to 31 December 1994
Office and management	40	43
Manufacturing	95	96
	135	139

The aggregate payroll costs of these persons were as follows:

	12 months to 31 December 1995 £'000	8 months to 31 December 1994 £'000
Wages and salaries	1,754	1,198
Social security costs	149	102
Other pension costs	108	29
	2,011	1,329

Interest payable and similar charges

		12 months to 31 December 1995 £'000	8 months to 31 December 1994 £'000
4.	Bank loans and overdrafts	16	73
	Other loans not wholly repayable within five years	-	87
	Other Interest	-	1
		16	161

Operating profit/(loss) - continuing operations

		12 months to 31 December 1995 £000	8 months to 31 December 1994 £000
5.	Operating profit/(loss) is stated after charging :		
	Auditors' remuneration including expenses	18	22
	Auditors' remuneration for non-audit services	1	-
	Depreciation of tangible fixed assets	100	72
	Directors' emoluments (see note 6)	-	259
	Other operating leases	181	103
	Redundancy costs	10	124
	Loss on revaluation of land and buildings	-	25
	Reorganisation costs	-	74

Notes to the financial statements - 31 December 1995-continued

Directors' emoluments

	12 months to 31 December 1995 £'000	8 months to 31 December 1994 £'000
6. Directors' emoluments:		
Fees	-	7
Other emoluments (including pension contributions)	-	183
Compensation for Loss of Office	-	69
	-	259
Particulars of emoluments excluding pension contributions:		
Chairman and highest paid director	-	49

All directors:	Number 12 months to 31 December 1995	Number 8 months to 31 December 1994
£0 - £ 5,000	2	3
£25,001 - £30,000	-	3
£35,001 - £40,000	-	1
£45,001 - £50,000	-	1

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 (loss)/profit on ordinary activities

	12 months to 31 December 1995 £'000	8 months to 31 December 1994 £'000
7. Based on (loss)/profit for the period:		
Corporation tax at 25% (1994 : 25%)	-	-
Group relief - consideration received	(5)	-
	(5)	-

The company has unutilised tax losses of approximately £650,000 available for carry forward subject to agreement with the Inland Revenue.

Notes to the financial statements - 31 December 1995-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 beginning of period	970	860	404	2,234
	Additions	-	199	79	278
	Disposals	-	(5)	-	(5)
	At end of period	970	1,054	483	2,507
	Depreciation				
	At beginning of period	-	(374)	(380)	(754)
	Charged in the period	(12)	(70)	(18)	(100)
	Disposals	-	2	-	2
	At end of period	(12)	(442)	(398)	(852)
	Net book value At 31 December 1995	958	612	85	1,655
	At 31 December 1994	970	486	24	1,480

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

Investments

		31 December 1995 £'000	31 December 1994 £'000
9.	Shares in subsidiary companies at cost		
	At beginning of period	482	481
	Further investment	-	1
	At end of period	482	482

The Company's wholly owned principal subsidiary at 31 December 1995, 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.

Notes to the financial statements - 31 December 1995-continued

Stocks

		31 December 1995 £'000	31 December 1994 £'000
10.	Raw materials and consumables	161	164
	Work in progress	408	220
	Finished goods and goods for resale	222	230
		791	614

Debtors

		31 December 1995 £'000	31 December 1994 £'000
11.	Trade debtors	775	933
	Amounts owed by parent and fellow subsidiary undertakings	124	-
	Amounts owed by subsidiary undertakings	29	-
	Prepayments and accrued income	83	87
		1,011	1,020

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

Creditors amounts falling due within one year

		31 December 1995 £'000	31 December 1994 £'000
12.	Bank loans and overdrafts	1,146	1,243
	Trade creditors	722	660
	Amounts owed to parent and fellow subsidiary undertakings	12	-
	Amounts owed to subsidiary undertakings	-	166
	Other taxes and social security	86	82
	Other creditors	9	25
	Accruals and deferred income	59	77
		2,034	2,253

Details of borrowings are shown in note 15.

Notes to the financial statements - 31 December 1995-continued

Creditors - amounts falling due after more than one year

	31 December 1995 £'000	31 December 1994 £'000
13. Amounts owing to parent undertaking	1,685	1,000
Medium and long term loans	50	100
	1,735	1,100

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 1995 are as follows:

	31 December 1995 £'000	31 December 1994 £'000
Leases in respect of plant and machinery, and motor vehicles expiring:		
Within one year	21	10
Between two and five years	122	169
Over five years	-	-
	143	179

Borrowings

15. These comprise:	31 December 1995 £'000	31 December 1994 £'000
Bank overdraft	1,096	508
Bank loans	100	835
	1,196	1,343
Other loans -	1,685	1,000
Total borrowings	2,881	2,343
Repayment of borrowings:		
Bank loans and overdrafts:		
In one year or less or on demand	1,146	1,243
Between two and five years	50	100
In five years or more	1,685	1,000
	2,881	2,343

Notes to the financial statements - 31 December 1995-continued

Provision for liabilities and charges

	31 December 1995		31 December 1994	
	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	183	-	162	-
Available losses	(183)	-	(162)	-
	-	-	-	-

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 1995-continued

Called up share capital

	31 December 1995 £	31 December 1994 £
17. Authorised		
1,456,276 ordinary shares of £1 each	1,456,276	1,456,276

	31 December 1995 £	31 December 1994 £
Allotted, Called up and fully paid:		
1,456,276 ordinary shares of £1 each	1,456,276	1,456,276

The authorised share capital was stated incorrectly in the 1994 annual report at 1,455,634 £1 shares.

Reserves

	Share premium £'000	Profit and loss account £'000	Goodwill write-off reserve £'000
18. Balance at beginning of period	1	(1,017)	(196)
Retained loss for the period	-	(73)	-
Amortisation of goodwill	-	(59)	59
Balance at end of period	1	(1,149)	(137)

Reconciliation of movement in shareholders funds

	31 December 1995 £'000	31 December 1994 £'000
19. Opening shareholders funds	244	1,079
(Loss)/profit for the period	(73)	(350)
Write back of revaluation reserve	-	(485)
Closing shareholders funds	171	244

Contingent liabilities

20. The company has a contingent liability with Barclays Bank plc on the Small Export Scheme loans for cash advances on export sales of £47,893 (31 December 1994 £34,000).

Under a group banking arrangement the company has entered into a UBS guarantee with Legrand UK Limited, Legrand Electric Limited, Tenby Industries Limited and Rolfe King Limited at 31 December 1995. There was no liability to the company under these guarantees.

Notes to the financial statements - 31 December 1995-continued

Pensions obligations

21. The company operates a defined benefit pension scheme. The assets of the scheme are held separately from those of the company.

The total pension cost during the period was £108,000 (1994: £31,534). 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 31 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 £3,283,000 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.

Net cash outflow from operating activities

		12 months to 31 December 1995 £'000	8 months to 31 December 1994 £'000
22.	Operating loss	(62)	(189)
	Depreciation charge	100	72
	Loss on revaluation of land and buildings	-	25
	(Increase)/Decrease in stocks	(177)	110
	Decrease in debtors	14	154
	Increase/(Decrease) in creditors	(122)	85
	Net cash (outflow)/inflow from operating activities	(247)	257

Notes to the financial statements - 31 December 1995-continued

Analysis of changes in finance during the year

		Medium Term loan £'000	Inter Company Loan £'000
23.	Balance at 31 December 1994	835	1,000
	Increased borrowings	-	685
	Loan repayments	(735)	-
	Balance at 31 December 1995	100	1,685

Analysis of the balances of cash and cash equivalents as shown in the balance sheet

		31 December 1995 £'000	Change in year £'000	31 December 1994 £'000	Change in period £'000	April 1994 £'000
24.	Cash at bank and in hand	1	-	1	-	1
	Bank overdraft	(1,096)	(588)	(508)	(25)	(483)
		(1,095)	(588)	(507)	(25)	(482)

Capital commitments

		31 December 1995 £000	31 December 1994 £000
25.	Capital expenditure that has been contracted for but has not been provided for in the financial statements	24	4
	Capital expenditure authorised but not contracted for	79	-

Ultimate holding company

26. 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.