Registered No: 2235556

Power Centre Limited
Annual report
for the year ended 31 December 2001

Power Centre Limited

Directors' report for the year ended 31 December 2001

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

Principal activities

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

Both the level of business and the year end financial position were disappointing.

On 31 March 2002 the company ceased trading and its business, assets and liabilities were transferred to its sister company, Legrand Electric Limited.

Continued support

The company's parent company has confirmed its intention to continue its financial support of the company so as to ensure that it is able to meet its liabilities as they fall due for the foreseeable future.

Results and dividends

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

The directors do not recommend the payment of a dividend (2000: £Nil).

Directors and their interests

The directors of the company during the year were:

Mr. B. Decoster
Mr. J-P. Verspieren

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

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 the Companies (Disclosure of Directors' Interests) (Exceptions) Regulations 1985, no disclosure is made of any interests of the directors in the shares of the ultimate parent company.

Research and development activities

Research and development activities are carried out at Wednesbury.

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 and 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

R. J. Lowe
Secretary

2nd October 2002

Independent auditors' report to the members of Power Centre Limited

We have audited the financial statements which comprise profit and loss account, the balance sheet 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 opinion has been prepared for and only for the company's members 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 in to 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 affairs of the company at 31 December 2001 and the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Reading

29th November 2002

Profit and loss account for the year ended 31 December 2001

	Notes	2001	2000
		£'000	£'000
Turnover – discontinued operations	2	**11,053**	10,956
Cost of Sales		**(9,832)**	(10,186)
Gross profit		**1,221**	770
Distribution costs		**(874)**	(960)
Administration expenses		**(856)**	(951)
Operating loss – discontinued operations	3	**(509)**	(1,141)
Interest payable and similar charges	6	**(48)**	(55)
Loss for the financial year	16	**(557)**	(1,196)

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

There is no difference between the loss for the years stated above, and their historical cost equivalents.

On 31 March 2002, the company ceased trading and its business, assets and liabilities were transferred to its sister company, Legrand Electric Limited (formerly Tenby Industries Limited).

Power Centre Limited

Balance Sheet as at 31 December 2001

	Notes	2001		2000	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	8		2,333		2,655
Current assets					
Stock	9	1,473		1,919	
Debtors	10	2,917		2,179	
Cash at bank and in hand		2		2	
		4,392		4,100	
Creditors – Amounts falling due within one year	11	(2,949)		(2,673)	
Net current assets			1,443		1,427
Total assets less current liabilities			3,776		4,082
Creditors – amounts falling due after one year	12		(5,292)		(5,041)
Net liabilities			(1,516)		(959)
Capital and reserves					
Called up share capital	15		2,400		2,400
Share premium account	16		1		1
Profit and loss account deficit	16		(3,917)		(3,360)
Equity shareholders' deficit	17		(1,516)		(959)

The financial statements on pages 4 to 13 were approved by the board of directors on 2nd October 2002 and were signed on its behalf by:

B. DECOSTER) DIRECTORS

J-P. VERSPIEREN)

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

1 Principal accounting policies

These financial statements are prepared under the historical cost convention, the accounting policies set out below and in accordance with applicable accounting standards.

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. This is on the basis that the parent company has confirmed that it will provide financial support for the foreseeable future.

Adoption of new accounting standards

FRS 17 "Retirement benefits" has been adopted in this year's financial statements and the effect of the adoption of FRS 17 is disclosed in note 19. FRS 18 "Accounting policies" has been adopted in this year's financial statements. The adoption of FRS 18 did not have a significant effect on the company's accounting policies.

Fixed assets

Fixed assets are stated at their purchase cost together with any incidental costs of acquisition.

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% & 12½%
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.

Grants

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

Stock

Stock 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.

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.

Turnover

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

Taxation

The charge for taxation is based on the profit for the year after adjusting for disallowable items, and after excluding timing differences to the extent that they are unlikely to result in an actual tax liability in the foreseeable future. Timing differences arise from the recognition for tax purposes of certain items of income and expenditure in a different accounting period from that in which they are recognised in the accounts. The tax effect of timing differences which are likely to result in an actual tax liability in the foreseeable future, reduced by the tax benefit of any accumulated losses, is treated as a deferred tax liability.

Operating leases

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

Pension scheme arrangements

The company operates a defined benefit scheme which is contracted out of the state scheme.

A valuation of the scheme is undertaken by qualified actuaries at least every three years and the annual contributions to the scheme are paid in accordance with their recommendations. 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 employee's service. The effects of variations from regular cost are spread over the expected average service lives of members of the scheme.

These financial statements include transitional information as required by FRS 17 "Retirement benefits".

Research and development expenditure

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

Cash flow statement

The company is a wholly-owned subsidiary of Legrand UK Limited and is included in the consolidated financial statements of Legrand SA., the ultimate parent company, which are publicly available. Consequently, the company has taken advantage of the exemption given in FRS 1 (Revised 1996) and accordingly, a separate cash flow statement is not presented for the company.

Related party disclosure

The company is exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Legrand UK Limited group or investees of the Legrand UK Limited group.

2 Turnover

The analysis of turnover by geographical market is as follows:

	2001	2000
	£'000	£'000
United Kingdom	**5,913**	5,419
Middle East	**107**	96
Africa	**30**	239
Rest of World	**134**	152
Group Companies	**4,869**	5,050
	11,053	10,956

All turnover arises from the company's principal activities.

3 Operating loss - discontinued operations

	2001	2000
	£'000	£'000
Operating loss is stated after charging / (crediting):		
Auditors' remuneration - audit services	**10**	12
Auditors' remuneration - non-audit services	**1**	7
Depreciation of tangible fixed assets	**438**	461
(Profit)/loss on sale of fixed assets	**(8)**	20
Operating leases – plant and machinery	**125**	127
Research and development expenditure	**265**	294

4 Directors' emoluments

	2001	2000
	£'000	£'000
Aggregate emoluments	**-**	8

5 Employee information

The average monthly number of persons (including executive directors) employed by the company during the period is analysed below:

	2001	2000
	Number	Number
Production	**146**	157
Selling, distribution and administration	**34**	40
	180	197

	2001	2000
	£'000	£'000
Staff costs – all employees		
Wages and salaries	**2,811**	2,920
Social Security costs	**188**	192
Other pension costs	**265**	297
	3,264	3,409

6 Interest payable and similar charges

	2001	2000
	£'000	£'000
On overdrafts	**48**	55

7 Tax on loss on ordinary activities

No taxation arises on the results for the year due to the availability of losses brought forward and carried forward.

The company has unutilised tax losses of approximately £2,600,000 (2000: £1,750,000) available for carry forward, subject to agreement with the Inland Revenue.

8 Tangible fixed assets

	Freehold land and buildings £'000	Plant/ machinery and motor vehicles £'000	Fixtures And Fittings £'000	Assets in the course of construction £'000	Total £'000
Cost					
At 1 January 2001	1,327	2,905	685	13	4,930
Additions	-	23	108	21	152
Transfer from construction	-	12	1	(13)	-
Disposals	-	(65)	(32)	-	(97)
At 31 December 2001	1,327	2,875	762	21	4,985
Accumulated depreciation					
At 1 January 2001	124	1,800	351	-	2,275
Charge for year	35	253	150	-	438
Disposals	-	(49)	(12)	-	(61)
At 31 December 2001	159	2,004	489	-	2,652
Net book amount					
At 31 December 2001	1,168	871	273	21	2,333
Net book value					
At 31 December 2000	1,203	1,105	334	13	2,655

9 Stock

The amounts attributable to the different categories are as follows:

	2001	2000
	£'000	£'000
Raw materials and consumables	**564**	584
Work in progress	**521**	777
Finished goods and goods for resale	**388**	558
	1,473	1,919

10 Debtors

	2001	2000
	£'000	£'000
Trade debtors	**1,396**	1,264
Amounts owed by group undertakings	**1,483**	877
Prepayments and accrued income	**38**	38
	2,917	2,179

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

11 Creditors: amounts falling due within one year

	2001	2000
	£'000	£'000
Bank loans and overdrafts	1,580	1,302
Trade creditors	555	599
Amounts owed to group undertakings	331	341
Other creditors including taxation and social security	404	389
Accruals and deferred income	79	42
	2,949	2,673

12 Creditors: amounts falling due after one year

	2001	2000
	£'000	£'000
Amounts owing to Legrand UK Limited	5,292	5,041

The amount owing 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.

13 Operating lease commitments

At 31 December 2001 the company had annual commitments under non-cancellable operating leases expiring as follows:

	2001	2000
	£'000	£'000
Leases in respect of plant and machinery, and motor vehicles expiring:		
Within one year	6	3
Between two and five years	97	101
	103	104

14 Deferred taxation

There is no potential liability for deferred taxation at 31 December 2001 (2000 – Nil).

15 Called up share capital

	2001	2000
	£'000	£'000
Authorised, issued and fully paid:		
2,400,000 ordinary shares of £1 each	2,400	2,400

16 Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 January 2001	1	(3,360)
Loss for the year	-	(557)
At 31 December 2001	**1**	**(3,917)**

17 Reconciliation of movement in shareholders' funds

	2001	2000
	£'000	£'000
Opening shareholders' (deficit)/funds	**(959)**	237
Loss for the year	**(557)**	(1196)
Closing shareholders' deficit	**(1,516)**	(959)

18 Commitments and contingent liabilities

a) Capital commitments

	2001	2000
	£000	£000
Expenditure contracted but not provided for in the financial statements	**93**	100

(b) Guarantees

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

The net aggregate bank overdraft of the companies included in the cross guarantee at 31 December 2001 amounted to £1,188,000. (2000: £1,396,000).

19 Pension and similar obligations

The company operates a defined benefit pension scheme for its employees, the assets of which are held in a separate trustee administered fund.

On 1 July 1998 the Power Centre Limited Pension & Life Assurance Scheme and the Tenby Industries Limited Pension Scheme and were merged into the Legrand Electric 1981 Pension Plan.

Following the merger, the scheme was renamed as the Legrand UK Limited Pension Scheme. It is not possible to identify the company's share of the underlying assets and liabilities of the scheme and hence contributions to the scheme are accounted for as if it was a defined contribution scheme.

Full descriptions of the schemes are disclosed in the Legrand Electric Limited accounts at 31 December 2001.

The total ongoing pension cost for the company during the year ended 31 March 2002 was £ 265,000 (2001: £297,000). The pension cost is assessed by an independent qualified actuary using the Projected Unit method. At the year end there is a pension creditor of £102,000 (2000: £102,000 creditor).

20 Ultimate holding company

The immediate holding company is Legrand UK Limited.

The ultimate holding company and controlling party 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 du Lattre de Tassigny, 87045 - Limoges Cedex, France.