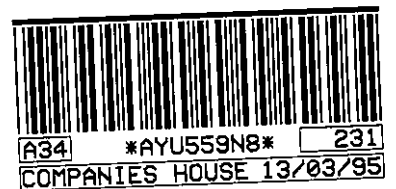


Power Centre Holdings Limited

Directors' report and financial statements

For the year ended 30 April 1994

Registered number 2235556



Power Centre Holdings Limited

Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors' report	1-2
Auditors' report	3
Consolidated profit and loss account	4
Consolidated balance sheet	5
Balance sheet	6
Consolidated cash flow statement	7
Reconciliation of movements in shareholders' funds	8
Recognised gains and losses	8
Note of historical cost profits and losses	8
Notes	9-24

Power Centre Holdings Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 April 1994.

Principal activities and business review

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

The policy of investment in people and plant to improve group efficiency continued.

Results for the year

The consolidated profit and loss account is shown on page 4. Group profit before taxation for the year ended 30 April 1994 was £62,000 (1993: £410,000 loss). Transfers to reserves are shown in note 21 on page 22.

The directors do not recommend any dividends.

Significant changes in fixed assets

The changes in fixed assets are shown in note 11 of the financial statements.

Market Value of Land and buildings

Land and buildings are included in the balance sheets at valuation. The directors consider that in view of current economic conditions the market value of these land and buildings may be less than their valuation. The directors consider any such reduction to be a temporary fall in the value of these properties and hence no provision is required.

Directors and directors' interests

The directors of the company during the year were:

GC Bartlett (chairman)
HJ Delve
OW Pinfold
HR Shields
SR Willmore
LCN Bury (resigned 15 December 1993)
DB Sankey (appointed 15 December 1993)

Power Centre Holdings Limited

The interests of the directors in the share capital of the company are as follows:

	Deferred ordinary shares of 10p each		Ordinary shares of 10p each	
	30 April 1994	30 April 1993	30 April 1994	30 April 1993
GC Bartlett	2,317	2,317	4,433	4,433
HJ Delve	2,163	2,163	4,137	4,137
OW Pinfold	1,081	1,081	2,069	2,069
HR Shields	1,082	1,082	2,068	2,068
SR Willmore	1,081	1,081	2,069	2,069

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 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; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Peat Marwick as auditors of the company is to be proposed at the forthcoming annual general meeting.

By order of the board



HJ Delve
Secretary

22 December 1994.

Peat House
2 Cornwall Street
Birmingham
B3 2DL

Report of the auditors to the members of Power Centre Holdings Limited

We have audited the financial statements on pages 4 to 24.

Respective responsibilities of directors and auditors

As described on page 2 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.

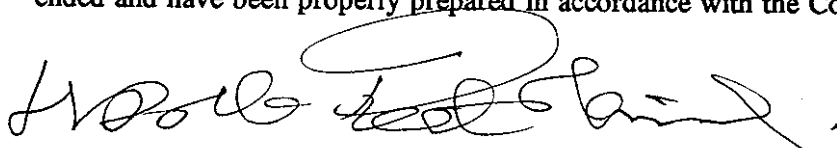
Basis of opinion

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 of the group as at 30 April 1994 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



*Chartered Accountants
Registered Auditors*

31st December 1994

Power Centre Holdings Limited

Consolidated profit and loss account for the year ended 30 April 1994

	<i>Note</i>	1994 £000	1993 £000
Turnover - continuing activities	2	7,702	6,852
Cost of sales		(5,186)	(4,928)
		<hr/>	<hr/>
Gross profit		2,516	1,924
Distribution costs		(479)	(483)
Administrative expenses		(1,719)	(1,520)
		<hr/>	<hr/>
Trading profit/(loss) - continuing activities		318	(79)
Interest receivable and similar income	4	-	4
Interest payable and similar charges	5	(256)	(335)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation	6	62	(410)
Taxation on profit/(loss) on ordinary activities	8	-	79
		<hr/>	<hr/>
Profit/(loss) on ordinary activities after taxation		62	(331)
Dividends	9	-	-
		<hr/>	<hr/>
Retained profit/(loss) for the financial year	21	62	(331)
		<hr/>	<hr/>

A statement of movement on reserves is given in note 21 on page 22

Power Centre Holdings Limited

Consolidated balance sheet at 30 April 1994

	Note	1994		1993	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	11		2,137		2,262
Current assets					
Stocks	13	846		876	
Debtors	14	1,582		1,321	
Cash at bank and in hand		1		1	
			<u>2,429</u>		<u>2,198</u>
Creditors: Amounts falling due within one year	15	<u>(1,830)</u>		<u>(1,627)</u>	
Net current assets			<u>599</u>		<u>571</u>
Total assets less current liabilities			<u>2,736</u>		<u>2,833</u>
Creditors: Amounts falling due after more than one year	16		(1,820)		(1,969)
Provisions for liabilities and charges	19		-		(10)
Net assets			<u>916</u>		<u>854</u>
Capital and reserves					
Called up share capital	20		1,456		1,456
Share premium account	21		1		1
Profit and loss account	21		(418)		(401)
Other reserves - goodwill write off reserve	21		(608)		(688)
Revaluation reserve	21		485		486
			<u>916</u>		<u>854</u>

These financial statements were approved by the board of directors on 22 December 1994

GC Bartlett

HJ Delve
Directors

Power Centre Holdings Limited

Balance sheet at 30 April 1994

	Note	1994		1993	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	11		2,055		2,161
Investments	12		481		140
Current assets					
Stocks	13	724		770	
Debtors	14	1,174		1,443	
Cash at bank and in hand		1		1	
		<u>1,899</u>		<u>2,214</u>	
Creditors: Amounts falling due within one year	15	<u>(1,542)</u>		<u>(1,256)</u>	
Net current assets			<u>357</u>		<u>958</u>
Total assets less current liabilities			<u>2,893</u>		<u>3,259</u>
Creditors: Amounts falling due after more than one year	16		<u>(1,814)</u>		<u>(1,948)</u>
Net assets			<u>1,079</u>		<u>1,311</u>
Capital and reserves					
Called up share capital	20		1,456		1,456
Share premium account	21		1		1
Profit and loss account	21		(628)		(338)
Other reserves - goodwill write off reserve	21		(235)		(294)
Revaluation reserve	21		485		486
			<u>1,079</u>		<u>1,311</u>

These financial statements were approved by the board of directors on 22 December 1994

GC Bartlett *G.C. Bartlett*

HJ Delve
Directors

H.J. Delve

Power Centre Holdings Limited

Consolidated cash flow statement for the year ended 30 April 1994

	<i>Note</i>	1994		1993	
		£000	£000	£000	£000
Net cash inflow from operating activities	24		464		264
Servicing of finance					
Interest paid		(292)		(335)	
Net cash outflow from servicing of finance			(292)		(335)
Investing activities					
Purchase of tangible fixed assets		(40)		(54)	
Cash inflow on acquisitions		-		25	
Sale of tangible fixed assets		4		10	
Provisions utilised		(10)		(81)	
Net cash outflow from investing activities			(46)		(100)
Net cash inflow/(outflow) before financing			126		(171)
Financing					
Loan repayment	25	(84)		(84)	
Finance lease repayment	25	(21)		(75)	
			(105)		(159)
Increase/(Decrease) in cash and cash equivalents	26		21		(330)

Power Centre Holdings Limited

Reconciliation of movement in shareholders' funds for the year ended 30 April 1994

	1994 £000	1993 £000
Profit/(loss) for the financial year	62	(331)
Retrospective adjustment	-	25
Net increase/(decrease) to shareholders' funds	62	(306)
Shareholders' funds at beginning of year	854	1,160
Shareholders' funds at end of year	916	854

Recognised gains and losses

There were no recognised gains or losses attributable to the shareholders of the group or company other than those already dealt with in the profit and loss account.

Note of historical cost profits and losses

There is no material difference between the profit before taxation and the retained profit for the year as shown in the consolidated profit and loss account and their historical cost equivalents.

Power Centre Holdings Limited

Notes

(forming part of the financial statements)

1 Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain tangible fixed assets and in accordance with applicable Accounting Standards.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the company and all of its subsidiaries drawn up to 30 April 1994.

A separate profit and loss account dealing with the results of the company only has not been presented as is permitted by Section 230 Companies Act 1985.

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.

Turnover

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

Foreign currencies

Assets and liabilities denominated in foreign currency have been translated into sterling at the rate of exchange ruling on 30 April 1994. Differences arising on trading transactions in the year are reflected in profit before taxation.

Depreciation

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. In general the annual rates used are:

Leased assets	Over the length of the lease on a straight line basis
Freehold buildings	2%
Plant	20%
Vehicles	33%
Office equipment	20%
Tools	25%

Power Centre Holdings Limited

Notes (continued)

1 Accounting policies (continued)

Stocks and work in progress

Stocks and work in progress have been valued at the lower of cost and net realisable value. Cost of work in progress and finished goods includes direct labour, materials and production overheads.

Deferred taxation

Provision is only made for deferred taxation when, in the opinion of the directors, any liability may become payable in the foreseeable future.

Research and development

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

Pension costs

The company operates a defined benefit pension scheme, whose funds are administered by trustees and are separate from the company. Valuations are normally carried out every three years by independent actuaries and annual contributions are paid in accordance with their recommendations. The amount charged to the profit and loss account is calculated so as to spread the cost of pensions over the average remaining life of the employees.

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.

Grants

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

Power Centre Holdings Limited

Notes (continued)

2 Turnover

An analysis of turnover by geographical market is as follows:

	1994 £000	1993 £000
United Kingdom	6,665	5,760
Middle East	683	571
Far East	118	147
Europe	109	104
Other	127	270
	<u>7,702</u>	<u>6,852</u>

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

3 Staff numbers and costs

The average number of persons employed by the group (including directors) during the year was as follows:

	Number of employees	
	1994	1993
Office and management	46	45
Manufacturing	127	140
	<u>173</u>	<u>185</u>

The aggregate payroll costs of these persons were as follows:

	1994 £000	1993 £000
Wages and salaries	2,217	2,221
Social security costs	191	181
Other pension costs	52	54
	<u>2,460</u>	<u>2,456</u>

Power Centre Holdings Limited

Notes (continued)

4	Interest receivable and similar income	1994 £000	1993 £000
	Bank interest	-	4
		<hr/>	<hr/>
5	Interest payable and similar charges	1994 £000	1993 £000
	Bank loans and overdrafts	122	164
	Other loans not wholly repayable within five years	130	134
	Other interest	-	27
	Hire purchase and finance lease interest	4	10
		<hr/>	<hr/>
		256	335
		<hr/>	<hr/>
6	Profit/(loss) on ordinary activities before taxation	1994 £000	1993 £000
	<i>Profit/(loss) on ordinary activities before taxation is stated</i>		
	<i>after charging</i>		
	Auditors' remuneration including expenses	24	23
	Depreciation of tangible fixed assets	161	202
	Directors' emoluments (see note 7)	275	262
	Other operating leases	307	248
	Redundancy costs	151	79
		<hr/>	<hr/>

Auditors' remuneration for non-audit services during the year amounted to £8,000 (1993: £6,000).

Power Centre Holdings Limited

Notes (continued)

7	Directors' emoluments	1994	1993
		£000	£000
	Directors' emoluments:		
	Fees	10	10
	Other emoluments (including pension contributions)	265	252
		<u>275</u>	<u>262</u>
	Particulars of emoluments excluding pension contributions:		
	Chairman and highest paid director	72	70
		<u>72</u>	<u>70</u>
	All directors:		
		Number of directors	
		1994	1993
	£0 - £ 5,000	2	1
	£35,001 - £40,000	3	3
	£50,001 - £55,000	1	1
	£65,001 - £70,000	-	1
	£70,001 - £75,000	1	-
		<u>1</u>	<u>-</u>
8	Tax on profit/(loss) on ordinary activities	1994	1993
		£000	£000
	Based on profit/(loss) for the year:		
	Corporation tax at 25% (1993: 25%)	-	-
	Deferred taxation	-	(3)
	Irrecoverable ACT written off	-	10
		<u>-</u>	<u>7</u>
	Prior year adjustment	-	7
	Deferred taxation	-	(86)
		<u>-</u>	<u>(79)</u>
		<u>-</u>	<u>(79)</u>

The group has unutilised tax losses of approximately £1,000,000 and advance corporation tax of £10,000 available for carry forward subject to agreement with the Inland Revenue.

Power Centre Holdings Limited

Notes (continued)

9 Dividends

The cumulative dividends that were in arrears at 30 April 1994 were as follows:

	1994	1993
	£000	£000
Redeemable preference shares		
The aggregate cumulative dividends in arrears for the last three and a half years are:	<u>479</u>	<u>334</u>

In addition to the above the directors do not recommend the payment of the final dividend amounting to £10,000 (1993: £Nil) in respect of the preferred ordinary shares. Cumulative dividends in arrears in respect of the preferred ordinary shares were £33,000 at 30 April 1994 (1993: £23,000). These dividends are due for payment on 30 April 1994 or fourteen days after the annual general meeting if earlier.

10 Result for the financial year

Of the profit for the year attributable to the group, a loss of £232,000 (1993: £315,000 loss) after tax is dealt with in the profit and loss account of the parent company.

Power Centre Holdings Limited

Notes (continued)

11 Tangible fixed assets

(a) Group

	Freehold land and buildings	Short leasehold land and buildings	Plant and machinery	Motor vehicles, fixtures, fittings, tools and equipment	Total
	£000	£000	£000	£000	£000
<i>Cost or valuation</i>					
At beginning of year	1,550	7	1,104	465	3,126
Additions	-	-	15	25	40
Disposals	-	-	-	(22)	(22)
At end of year	<u>1,550</u>	<u>7</u>	<u>1,119</u>	<u>468</u>	<u>3,144</u>
<i>Depreciation</i>					
At beginning of year	38	3	431	392	864
Charged in the year	19	1	98	43	161
Disposals	-	-	-	(18)	(18)
At end of year	<u>57</u>	<u>4</u>	<u>529</u>	<u>417</u>	<u>1,007</u>
<i>Net book value</i>					
At 30 April 1994	<u>1,493</u>	<u>3</u>	<u>590</u>	<u>51</u>	<u>2,137</u>
At 30 April 1993	<u>1,512</u>	<u>4</u>	<u>673</u>	<u>73</u>	<u>2,262</u>

Power Centre Holdings Limited

Notes (continued)

11 Tangible fixed assets (continued)

Tangible fixed assets acquired under finance leases and included above are as follows:

	Plant and machinery £000	Motor vehicles £000
<i>Net book value</i>		
At 30 April 1994	<u>12</u>	<u>1</u>
At 30 April 1993	<u>25</u>	<u>5</u>
<i>Depreciation charged in the year</i>		
Year ended 30 April 1994	<u>13</u>	<u>-</u>
Year ended 30 April 1993	<u>22</u>	<u>2</u>

(b) Company

	Freehold land and buildings £000	Plant and machinery £000	Motor vehicles, fixtures, fittings, tools and equipment £000	Total £000
<i>Cost or valuation</i>				
At beginning of year	1,550	853	384	2,787
Additions	<u>-</u>	<u>3</u>	<u>17</u>	<u>20</u>
At end of year	<u>1,550</u>	<u>856</u>	<u>401</u>	<u>2,807</u>
<i>Depreciation</i>				
At beginning of year	38	250	338	626
Charged in the year	<u>19</u>	<u>73</u>	<u>34</u>	<u>126</u>
At end of year	<u>57</u>	<u>323</u>	<u>372</u>	<u>752</u>
<i>Net book value</i>				
At 30 April 1994	<u>1,493</u>	<u>533</u>	<u>29</u>	<u>2,055</u>
At 30 April 1993	<u>1,512</u>	<u>603</u>	<u>46</u>	<u>2,161</u>

(c) Group and Company

The net book value of revalued freehold land and buildings under the historical cost convention at 30 April 1994 is £1,006,000 (1993: £1,025,000). This revaluation was undertaken during the year ended 30 April 1991. The value of land included in freehold land and buildings which is not depreciated is £600,000 (1993: £600,000).

Power Centre Holdings Limited

Notes (continued)

12 Investments

	£000
Shares in subsidiary companies at cost	
At beginning of year	140
Further investment	341
	<hr/>
At end of year	481
	<hr/>

The company's wholly owned principal subsidiary undertaking at 30 April 1994, 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.

13 Stocks

	Group		Company	
	1994 £000	1993 £000	1994 £000	1993 £000
Raw materials and consumables	244	188	143	99
Work in progress	305	393	284	376
Finished goods and goods for resale	297	295	297	295
	<hr/>	<hr/>	<hr/>	<hr/>
	846	876	724	770
	<hr/>	<hr/>	<hr/>	<hr/>

14 Debtors

	Group		Company	
	1994 £000	1993 £000	1994 £000	1993 £000
Trade debtors	1,410	1,246	1,020	963
Amounts owed by subsidiary undertakings	-	-	-	417
Prepayments and accrued income	172	75	154	63
	<hr/>	<hr/>	<hr/>	<hr/>
	1,582	1,321	1,174	1,443
	<hr/>	<hr/>	<hr/>	<hr/>

Power Centre Holdings Limited

Notes (continued)

15 Creditors: amounts falling due within one year

	Group		Company	
	1994 £000	1993 £000	1994 £000	1993 £000
Bank loans and overdrafts	610	581	617	372
Trade creditors	864	723	657	625
Amounts owed to subsidiary undertakings	-	-	5	-
Other taxes and social security	179	164	136	147
Other creditors	52	59	44	50
Net obligations under finance leases	15	21	-	-
Accruals and deferred income	110	79	83	62
	<u>1,830</u>	<u>1,627</u>	<u>1,542</u>	<u>1,256</u>

Details of borrowings are shown in note 18.

16 Creditors: amounts falling due after more than one year

	Group		Company	
	1994 £000	1993 £000	1994 £000	1993 £000
Debenture loans	1,000	1,000	1,000	1,000
Medium and long term loans	814	948	814	948
Net obligations under finance leases repayable between two and five years	6	21	-	-
	<u>1,820</u>	<u>1,969</u>	<u>1,814</u>	<u>1,948</u>

Details of borrowings are shown in note 18.

Power Centre Holdings Limited

Notes (continued)

17 Operating lease commitments

The lease payments falling due next year to which the company was committed at 30 April 1994 were as follows:

	Group		Company	
	1994 £000	1993 £000	1994 £000	1993 £000
Leases in respect of land and buildings expiring:				
Over five years	<u>62</u>	<u>62</u>	<u>-</u>	<u>-</u>
Leases in respect of plant and machinery expiring:				
Within one year	24	5	24	5
Between two and five years	194	108	160	81
Over five years	-	3	-	3
	<u>218</u>	<u>116</u>	<u>184</u>	<u>89</u>

18 Borrowings

These comprise:

	Group		Company	
	1994 £000	1993 £000	1994 £000	1993 £000
Bank overdraft	476	497	483	288
Bank loans	948	1,032	948	1,032
	<u>1,424</u>	<u>1,529</u>	<u>1,431</u>	<u>1,320</u>
Other loans	1,000	1,000	1,000	1,000
	<u>2,424</u>	<u>2,529</u>	<u>2,431</u>	<u>2,320</u>
Total borrowings	<u>2,424</u>	<u>2,529</u>	<u>2,431</u>	<u>2,320</u>
Repayment of borrowings:				
Bank loans and overdrafts:				
In one year or less or on demand	610	581	617	372
Between two and five	486	536	486	536
In five years or more	328	412	328	412
	<u>1,424</u>	<u>1,529</u>	<u>1,431</u>	<u>1,320</u>

Power Centre Holdings Limited

Notes (continued)

18 Borrowings (continued)

	Group		Company	
	1994 £000	1993 £000	1994 £000	1993 £000
Other loans:				
Between two and five years	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Total borrowings	<u>2,424</u>	<u>2,529</u>	<u>2,431</u>	<u>2,320</u>

The borrowings are secured on the assets of the company.

Loans repayable in five years or more from the balance sheet date comprise the following:

Group and company

Interest rate	Repayment terms	1994 £000	1993 £000
Bank loan variable	Sixteen quarterly instalments from May 1999	<u>328</u>	<u>412</u>

Power Centre Holdings Limited

Notes (continued)

19 Provision for liabilities and charges

	Group		Company	
	1994 £000	1993 £000	1994 £000	1993 £000
Provisions relating to acquisitions	-	10	-	-

	Provisions relating to acquisitions	
	Group £000	Company £000
Balance at beginning of year	10	-
Utilised during the year	(10)	-
Balance at end of year	-	-

	1994		1993	
	Full potential liability £000	Amount provided £000	Full potential liability £000	Amount provided £000
Group and Company				
Accelerated capital allowances and other timing differences	176	-	158	-
Advance corporation tax	(10)	-	(10)	-
Available losses	(166)	-	(148)	-
	-	-	-	-

In addition to the available losses utilised above, the Group has unutilised tax losses of approximately £560,000 available for carry forward subject to agreement with the Inland Revenue.

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.

Power Centre Holdings Limited

Notes (continued)

20 Called up share capital

	1994 £	1993 £
<i>Called up and fully paid:</i>		
1,450,000 redeemable preference shares of £1 each	1,450,000	1,450,000
27,500 preferred ordinary shares of 10p each	2,750	2,750
14,776 "A" ordinary shares of 10p each	1,478	1,478
2,500 "B" ordinary shares of 10p each	250	250
384 "C" ordinary shares of £1 each	384	384
7,724 Deferred ordinary shares of 10p each	772	772
	<u>1,455,634</u>	<u>1,455,634</u>

All classes of share capital are fully allotted with the exception of the "C" ordinary share capital. The authorised share capital of this class is 1,026 shares of £1 each.

The redeemable preference shares are redeemable at par in five annual equal instalments commencing on 30 April 1994. By agreement with the preference shareholders, redemption of the preference shares due on 30 April 1994 has been deferred.

21 Reserves

	Share premium £000	Profit and loss account £000	Goodwill write-off reserve £000	Revaluation reserve £000
Group				
Balance at beginning of year	1	(401)	(688)	486
Retained profit for the year	-	62	-	-
Realisation of revaluation reserve	-	1	-	(1)
Amortisation of goodwill	-	(80)	80	-
	<u>1</u>	<u>(418)</u>	<u>(608)</u>	<u>485</u>
Company				
Balance at beginning of year	1	(338)	(294)	486
Retained loss for the year	-	(232)	-	-
Realisation of revaluation reserve	-	1	-	(1)
Amortisation of goodwill	-	(59)	59	-
	<u>1</u>	<u>(628)</u>	<u>(235)</u>	<u>485</u>

Power Centre Holdings Limited

Notes (continued)

22 Contingent liabilities

The company has a contingent liability with Barclays Bank plc on the Small Export Scheme loans for cash advances on export sales of £27,000.

23 Pensions

The company operates a defined benefit pension scheme.

Contributions to the company's pension fund are determined by a qualified actuary.

A formal valuation of the pension fund was carried out at 31 December 1991 using the projected unit method. The significant actuarial assumptions were that investment returns would exceed salary increases by 2.5% and that pensions in payment would increase at the rate of 3%. This valuation indicated that the scheme was fully funded at 31 December 1991.

At 31 December 1991, the market value of the scheme's assets was £2,425,000

24 Reconciliation of operating profit/(loss) to net cash inflow from operating activities

	1994 £000	1993 £000
Operating profit/(loss)	62	(410)
Depreciation charge	161	202
Interest charged	292	335
Decrease in stocks	30	225
(Increase)/Decrease in debtors	(261)	46
Increase/(Decrease) in creditors	180	(134)
	<hr/>	<hr/>
Net cash inflow from operating activities	464	264
	<hr/>	<hr/>

Power Centre Holdings Limited

Notes (continued)

25 Analysis of changes in finance during the year

	Bank loan £000	Finance leases £000
Balance at 2 May 1992	2,032	117
Payments under finance leases	-	(75)
Loan repayments	(84)	-
	<hr/>	<hr/>
Balance at 30 April 1993	1,948	42
	<hr/>	<hr/>
Payments under finance leases	-	(21)
Loan repayments	(84)	-
	<hr/>	<hr/>
Balance at 30 April 1994	1,864	21
	<hr/>	<hr/>

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

	1994 £'000	Change in year £'000	1993 £'000	Change in year £'000	1992 £'000
Cash at bank and in hand	1	-	1	(78)	79
Bank overdrafts	(560)	21	(581)	(252)	(329)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(559)	21	(580)	(330)	(250)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>