

Registered Number 2642030

**Cogent Power Limited**  
**Annual report**  
**for the period ended 3 January 2004**



# **Cogent Power Limited**

## **Annual report for the period ended 3 January 2004**

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# **Cogent Power Limited**

## **Directors and advisers**

### **Directors**

M B H Schabos

S Pettifor

K Wilkinson

F P Royle

D S Maddock

C G Johansson

L Grånäs

F J M Liebregts

### **Secretary**

D S Maddock

### **Registered Office**

Orb Works

Corporation Road

Newport

NP19 0XT

### **Auditors**

PricewaterhouseCoopers LLP

One Kingsway

Cardiff

CF10 3PW

### **Solicitors**

Corus Group plc

30 Millbank

London

SW1P 4WY

### **Bankers**

Lloyds TSB Bank plc

City Office

Gillingham Business Park

Gillingham

Kent

ME8 0LS

# Cogent Power Limited

## Directors' report for the period ended 3 January 2004

The directors present their report and the audited financial statements for the period ended 3 January 2004.

### Principal activities

The principal activities of the Group are the processing of steel coil to apply properties appropriate for use within the electrical industry, and the manufacture of stator, rotor and segmented steel laminations for use in the manufacture of a wide variety of electric motors and transformers.

### Review of business and results

The consolidated profit and loss account is set out on page 7. The directors do not recommend the payment of a dividend in respect of the period ended 3 January 2004.

Trading conditions proved difficult during the year with the Group's principal markets depressed leading to pressure on volumes and prices. The future prospects of the Group will depend upon market conditions in the Group's principal markets.

### Directors and their interests

The directors of the company are listed on page 1. H A M Vrins resigned as a director on 1 March 2004 and S Pettifor was appointed as a director on the same day. J O Sperle and C D Gardner resigned as directors on 15 March 2004 and L Grånäs and F P Royle were appointed on the same day. D S Maddock and F J M Liebrechts were appointed as directors on 16 March 2004.

No director of the company at 3 January 2004 had any interest in the shares of the company or its subsidiaries, according to the register required to be kept by Section 325 of the Companies Act 1985.

The interests of the directors in the shares of the ultimate parent company, Corus Group plc, are noted below:

	Ordinary shares	
	3 January 2004 Number	28 December 2002/ date of appointment Number
M B H Schabos	-	-
K Wilkinson	4,686	3,282
C D Gardner	15,684	3,339
H A M Vrins	9,209	6,478
C G Johansson	-	-
J O Sperle	-	-

The interests of the directors in share options in Corus Group plc and movements during the year are shown below. Options outstanding at 8 December 2003 were adjusted, in line with all other employee options, as a result of a placing and open offer for Corus Group plc shares. The tables below show options as at the date prior to and after such adjustment.

# Cogent Power Limited

## Directors' report for the period ended 3 January 2004 (continued)

### Director's and their interests (continued)

The interests of the directors in share options held under the Corus Group plc Executive and Sharesave schemes are given below:

Name	28 December 2002/ date of appointment Number	Movements in the period			8 December 2003 Number
		Granted Number	Lapsed Number	Exercised Number	
M B H Schabos	-	-	-	-	-
K Wilkinson	404,118	-	-	-	404,118
C D Gardner	253,375	-	-	-	253,375
H A M Vrms	686,200	-	-	-	686,200
C G Johansson	-	-	-	-	-
J O Sperle	-	-	-	-	-

Name	8 December 2003 Number	Movements in the period			3 January 2004 Number
		Granted Number	Exercised Number	Lapsed Number	
M B H Schabos	-	-	-	-	-
K Wilkinson	435,987	-	-	-	435,987
C D Gardner	261,210	-	-	-	261,210
H A M Vrms	707,414	-	-	-	707,414
C G Johansson	-	-	-	-	-
J O Sperle	-	-	-	-	-

The exercise prices and dates of exercise in respect of the options held at 3 January 2004 are as follows:

	Number of shares	Price per share	Date of Exercise
Sharesave scheme	34,161	49.95p	2004 to 2006
Executive scheme	1,370,450	53.64p to 133.65p	1997 to 2011

### Employees

The Group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Group's performance.

The Group recognises its responsibilities towards disabled people and employs them where suitable work can be found. Where possible, effort is made to find appropriate alternative jobs for those who become disabled while working for the Group.

### Group research and development activities

The Group has its own research and development facility and, in addition, commissions programmes from external sources appropriate to its business.

# **Cogent Power Limited**

## **Directors' report for the period ended 3 January 2004 (continued)**

### **Political and charitable contributions**

The Group made no political contributions in the period. Charitable contributions amounted to £475 (2002 : £914). The contributions were directed towards medical objectives as well as objectives connected with the Group's business and place in the community.

### **Payment to creditors**

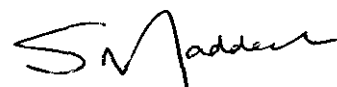
The company has nil days (2002: nil) purchases outstanding at 3 January 2004, based upon the average daily amount invoiced by suppliers during the year, as the company does not have any creditors.

It is the policy of the company and its UK subsidiaries to establish terms of payment with suppliers when agreeing the terms of business transactions. The aim is to despatch cheques on the due date or, where other means of payment are adopted, to deliver funds to suppliers as if payment had been made by cheque.

### **Auditors**

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the next Annual General Meeting.

### **By order of the Board**

A handwritten signature in black ink, appearing to read 'S. Madden', is written over the text 'By order of the Board'.

**Company Secretary**

# **Cogent Power Limited**

## **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 the group and of the profit or loss of the group 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 period ended 3 January 2004 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**By order of the Board**

A handwritten signature in black ink, appearing to read 'S. Madhok', is written over the printed name of the Company Secretary.

**Company Secretary**

## **Independent auditors' report to the members of Cogent Power Limited**

We have audited the financial statements which comprise the consolidated profit and loss account, the balance sheets of the company and the group, the consolidated cash flow statement, the statement of total recognised gains and losses 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 United Kingdom 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.

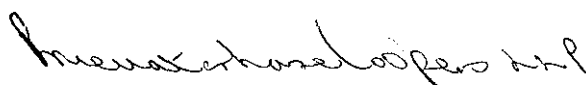
### **Basis of audit opinion**

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 and the Group at 3 January 2004 and of the loss and cash flows of the Group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**Chartered Accountants and Registered Auditors**

Cardiff

30 June 2004



# Cogent Power Limited

## Consolidated profit and loss account for the period ended 3 January 2004

	Note	12 months to 3 January 2004 £'000	12 months to 28 December 2002 £'000
Turnover			
- continuing operations	2	261,462	249,374
- discontinued operations	2	-	2,375
Cost of sales		(229,469)	(216,265)
<b>Gross profit</b>		<b>31,993</b>	<b>35,484</b>
Net operating expenses before exceptional items		(43,102)	(45,735)
Rationalisation and other exceptional items charged against net operating expenses	4	(2,470)	(4,267)
Impairment of goodwill	12	-	(9,880)
<b>Total operating costs</b>	<b>3</b>	<b>(45,572)</b>	<b>(59,882)</b>
<b>Operating loss</b>			
- continuing operations		(13,579)	(22,957)
- discontinued operations		-	(1,441)
		(13,579)	(24,398)
Profit on disposal of freehold land	9	937	-
Profit on sale of business	11	-	167
<b>Loss on ordinary activities before interest</b>		<b>(12,642)</b>	<b>(24,231)</b>
Net interest	8	(970)	(919)
<b>Loss on ordinary activities before taxation</b>	<b>9</b>	<b>(13,612)</b>	<b>(25,150)</b>
Tax on loss on ordinary activities	10	(1,381)	(837)
<b>Retained loss for the financial period</b>	<b>26</b>	<b>(14,993)</b>	<b>(25,987)</b>

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

## **Cogent Power Limited**

### **Statement of total recognised gains and losses for the period ended 3 January 2004**

	<b>12 months to 3 January 2004 £'000</b>	<b>12 months to 28 December 2002 £'000</b>
Loss for the financial period	<b>(14,993)</b>	<b>(25,987)</b>
Exchange translation difference on foreign currency net investments	<b>547</b>	<b>1,122</b>
<b>Total recognised losses for the period</b>	<b>(14,446)</b>	<b>(24,865)</b>

# Cogent Power Limited

## Balance sheets as at 3 January 2004

	Note	Group 3 January 2004 £'000	Company 3 January 2004 £'000	Group 28 December 2002 £'000	Company 28 December 2002 £'000
<b>Fixed assets</b>					
Intangible assets	14	19,381	-	20,199	-
Tangible assets	15	60,548	-	64,411	-
Investments	16	-	89,585	-	89,585
		<b>79,929</b>	<b>89,585</b>	<b>84,610</b>	<b>89,585</b>
<b>Current assets</b>					
Stocks	17	33,619	-	34,167	-
Debtors	18	47,415	12,194	53,721	8,003
Cash at bank and in hand		13,495	5	27,968	10,428
		<b>94,529</b>	<b>12,199</b>	<b>115,856</b>	<b>18,431</b>
<b>Creditors - amounts falling due within one year</b>	19	<b>(55,783)</b>	<b>(25,479)</b>	<b>(52,385)</b>	<b>(14,032)</b>
<b>Net current assets / (liabilities)</b>		<b>38,746</b>	<b>(13,280)</b>	<b>63,471</b>	<b>4,399</b>
<b>Total assets less current liabilities</b>		<b>118,675</b>	<b>76,305</b>	<b>148,081</b>	<b>93,984</b>
<b>Creditors - amounts falling due after more than one year</b>	20	<b>(10,559)</b>	<b>(10,000)</b>	<b>(28,980)</b>	<b>(26,000)</b>
<b>Provisions for liabilities and charges</b>	22	<b>(47,504)</b>	-	<b>(43,783)</b>	-
<b>Accruals and deferred income</b>	23	<b>(1,507)</b>	-	<b>(1,767)</b>	-
<b>Net assets</b>		<b>59,105</b>	<b>66,305</b>	<b>73,551</b>	<b>67,984</b>
<b>Capital and reserves</b>					
Called up share capital	25	72,667	72,667	72,667	72,667
Profit and loss account	26	(13,562)	(6,362)	884	(4,683)
<b>Total shareholders' funds</b>	27	<b>59,105</b>	<b>66,305</b>	<b>73,551</b>	<b>67,984</b>
<b>Analysis of shareholders' funds</b>					
Equity		29,105	36,305	43,551	37,984
Non equity	28	30,000	30,000	30,000	30,000
		<b>59,105</b>	<b>66,305</b>	<b>73,551</b>	<b>67,984</b>

The financial statements on pages 7 to 36 were approved by the board of directors on 30 June 2004 and were signed on its behalf by:



Director

# Cogent Power Limited

## Consolidated cash flow statement for the period ended 3 January 2004

	Note	12 months to 3 January 2004 £'000	12 months to 28 December 2002 £'000
<b>Net cash (outflow)/ inflow from operating activities</b>		<b>(3,141)</b>	<b>4,558</b>
<b>Returns on investment and servicing of finance</b>			
Interest received		354	1,076
Interest paid		(1,324)	(1,995)
		<b>(970)</b>	<b>(919)</b>
<b>Taxation</b>			
UK corporation tax paid		(48)	-
Overseas tax refunded		197	43
		<b>149</b>	<b>43</b>
<b>Capital expenditure</b>			
Purchase of tangible fixed assets		(3,868)	(6,609)
Sale of tangible fixed assets		1,422	2,300
Grants		382	12
		<b>(2,064)</b>	<b>(4,297)</b>
<b>Equity dividend paid to shareholders</b>		<b>-</b>	<b>-</b>
<b>Acquisitions</b>			
Receipt from sale of trade and assets of subsidiary Undertaking		-	278
		<b>-</b>	<b>278</b>
<b>Cash outflow before management of liquid resources and financing</b>		<b>(6,026)</b>	<b>(337)</b>
<b>Financing</b>			
Receipt of bank loans		6,127	-
Repayment of bank loans		(6,000)	(2,671)
Repayment of shareholder loans		(10,000)	-
	29	<b>(9,873)</b>	<b>(2,671)</b>
<b>Decrease in cash in the period</b>	29	<b>(15,899)</b>	<b>(3,008)</b>

# Cogent Power Limited

## Consolidated cash flow statement for the period ended 3 January 2004 (continued)

### Reconciliation of operating loss to cash(outflow)/inflow from operations

	12 months to 3 January 2004 £'000	12 months to 28 December 2002 £'000
Operating loss	(13,579)	(24,398)
Amortisation of government grants	(698)	(101)
Amortisation of intangible fixed assets	818	12,265
Depreciation of tangible fixed assets	8,346	8,587
(Profit)/loss on disposal of fixed assets	(229)	275
Movement on pension provision	4,014	2,316
Decrease in spares, loose plant and tools	629	316
Decrease in stocks	550	4,733
Decrease/(increase) in debtors	4,343	(1,981)
(Decrease)/increase in creditors	(6,185)	3,928
Exchange rate differences	(1,150)	(1,382)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(3,141)</b>	<b>4,558</b>

# **Cogent Power Limited**

## **Notes to the financial statements for the period ended 3 January 2004**

### **1 Principal accounting policies**

The financial statements have been prepared under the historical cost convention and 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.

#### **Basis of consolidation**

The consolidated profit and loss account, balance sheet and cash flow statement include the Company and its subsidiaries. The profits or losses of subsidiaries acquired or sold during the year are included from the date of acquisition or up to the date of their disposal.

On the acquisition of a subsidiary, fair values are attributed to the net assets acquired. Any difference between the purchase consideration and these fair values is treated as goodwill. Positive goodwill is capitalised and amortised over its estimated useful economic life up to a maximum of 20 years. Negative goodwill is recognised in the profit and loss account in line with the periods in which the assets acquired are depreciated.

#### **Turnover**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the amount due, associated costs or the possible return of goods. Revenue excludes VAT and similar taxes.

#### **Deferred taxation**

Deferred taxation liabilities are provided in full on all material timing differences between the recognition of gains and losses in the financial statements and their recognition in tax computations, where future payment or receipt is more likely than not to occur. Deferred tax assets and liabilities have been discounted.

#### **Operating leases**

Costs in respect of operating leases are charged to the profit and loss account as incurred.

#### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the quoted rates of exchange ruling at each balance sheet date except where forward cover has been obtained, when the covered rate is used. Profit and loss account items in foreign currencies are translated into sterling at the average rates ruling during the period.

Exchange differences on the retranslation of the opening net investment in foreign enterprises and the retranslation of profit and loss account items from average rate to closing rate are recorded as movements on reserves.

# **Cogent Power Limited**

## **Notes to the financial statements for the period ended 3 January 2004 (continued)**

### **Tangible and intangible fixed assets**

Tangible and intangible fixed assets are recorded at original cost less accumulated depreciation. In the case of assets constructed by the Group, related works and incremental overhead amounts are included in cost. Commissioning costs and interest attributable to expenditure on assets in the course of construction are not capitalised but written off to revenue as incurred.

Included in tangible fixed assets are loose plant and tools which are stated at cost less amounts written off related to their expected useful lives and estimated scrap value and also spares, against which provisions are made where necessary to cover slow moving and obsolete items.

Repairs and renewals are charged to the profit and loss account as incurred.

### **Depreciation of tangible and intangible fixed assets**

Depreciation is provided so as to write off, on a straight line basis, the net book value of tangible and intangible fixed assets. They are depreciated from the dates they are brought into use over their estimated useful lives, or in the case of leased assets, over the lease period if shorter. The estimated useful lives of assets are reviewed regularly and, when necessary, revised. Accelerated depreciation is provided where an asset is expected to become obsolete before the end of its normal useful life. No further depreciation is provided in respect of assets which are fully written down but are still in use.

The estimated useful lives for the main categories of tangible fixed assets are:

Freehold buildings	25 - 50 years
Plant and machinery	
- computers, office equipment and furniture and motor vehicles	3 - 10 years
- other	3 - 15 years
Goodwill	maximum 20 years

Licences are depreciated over the term of the individual licence. Freehold land is not depreciated.

Tangible and intangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. These reviews assess the recoverable amount by reference to the net present value of expected future cash flows of the relevant income generating unit, or disposal value if higher. The discount rate applied in the period, of 9.5%, was based upon Corus Group's long term pre tax weighted average cost of capital with appropriate adjustments for the risks associated with the relevant units.

### **Research and development expenditure**

Revenue expenditure on research and development is charged to the profit and loss account as it is incurred.

# **Cogent Power Limited**

## **Notes to the financial statements for the period ended 3 January 2004 (continued)**

### **Investment in subsidiaries**

Investments in subsidiaries are included at cost less any provision for impairment.

### **Stocks**

Stocks of raw materials are valued at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis. Stocks of partly processed materials, finished products and stores are individually valued at the lower of cost and net realisable value. Cost of partly processed and finished products comprises cost of production including works overheads. Net realisable value is the price at which the stocks can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and cost of disposal. Provisions are made for slow moving and obsolete items based on historical experience of utilisation on a category by category basis.

### **Pension costs**

The regular cost of providing pension benefits is charged to the profit and loss account so as to spread the cost over the expected average remaining service lives of employees. Variations from the regular cost arising from periodic actuarial valuations of the principal schemes are allocated to the profit and loss account so as to spread the surplus or deficit over the expected average remaining services lives of employees . Differences between the amounts funded and amounts charged to the profit and loss account are treated as either provisions or prepayments in the balance sheet. This accounting policy follows the principles of SSAP 24. As indicated in Note 24 the measurement criteria of FRS 17 have not been adopted early, although the transitional disclosure requirements have been made.

### **Government grants**

Grants relating to expenditure on tangible fixed assets are credited to the profit and loss account over a period approximating to the lives of qualifying assets. Total grants receivable less the amounts credited to the profit and loss account at the balance sheet date are included in the balance sheet as deferred income.



# Cogent Power Limited

## Notes to the financial statements for the period ended 3 January 2004 (continued)

### 2 Segmental reporting

The group's turnover by destination and operating loss relate entirely to its principal activity. The geographical analysis of turnover is:

	12 months to 3 January 2004 £'000	12 months to 28 December 2002 £'000
United Kingdom	28,918	39,005
Rest of Europe	158,459	158,915
Rest of the World	74,085	53,829
	<b>261,462</b>	<b>251,749</b>

Turnover from discontinued operations of £Nil arose in the United Kingdom (2002: £2,375,000). The group's operating loss and net assets have not been analysed by geographical segment as the directors believe that this disclosure would be seriously prejudicial to the interests of the group.

### 3 Operating expenses

	12 months to 3 January 2004 £'000	12 months to 28 December 2002 £'000
Distribution costs	9,769	9,407
Administrative expenses	33,333	36,328
Rationalisation and other exceptional items charged against net operating expenses (Note 4)	2,470	4,267
Impairment of goodwill (Note 12)	-	9,880
	<b>45,572</b>	<b>59,882</b>

### 4 Rationalisation and other exceptional items

Operating costs included a charge of £2,470,000 (2002 : £4,267,000) in respect of items of an exceptional nature. These items consisted of £2,092,000 (2002: £2,911,000) for redundancy and related costs resulting from job losses, £125,000 (2002: £1,356,000) for other rationalisation costs and £253,000 (2002 : £Nil) for accelerated depreciation on tangible fixed assets.

# Cogent Power Limited

## Notes to the financial statements for the period ended 3 January 2004 (continued)

### 5 Directors' emoluments

The aggregate emoluments of S H Best and M B H Schabos are disclosed below. The emoluments of the remaining directors are paid by the respective shareholder groups which make no recharge to the company. These directors are also directors of a number of other subsidiary undertakings in their respective groups and it is not possible to make an accurate apportionment of their emoluments. Accordingly the emoluments below include no emoluments in respect of these directors.

	12 months to 3 January 2004 £'000	12 months to 28 December 2002 £'000
Aggregate emoluments (including benefits in kind)	253	158

Retirement benefits are accruing to two (2002: one) director under defined benefit schemes.

#### Highest paid director

	12 months to 3 January 2004 £'000	12 months to 28 December 2002 £'000
Total amount of emoluments	159	158
Defined benefit pension scheme:		
Accrued pension at end of the period	81	71

### 6 Employee costs

	12 months to 3 January 2004 £'000	12 months to 28 December 2002 £'000
Wages and salaries	57,006	56,550
Social security costs	8,824	8,160
Other pensions costs (note 24)	5,366	4,526
	71,196	69,236

# Cogent Power Limited

## Notes to the financial statements for the period ended 3 January 2004 (continued)

### 7 Employee information

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

By activity	12 months to 3 January 2004 Number	12 months to 28 December 2002 Number
Production	2,079	2,238
Administration	573	586
	2,652	2,824

### 8 Net interest

	12 months to 3 January 2004 £'000	12 months to 28 December 2002 £'000
<b>Interest payable and similar charges</b>		
Bank loans and overdrafts	(117)	(255)
Group loans	(580)	(1,015)
Other interest payable	(627)	(725)
	(1,324)	(1,995)
<b>Interest receivable</b>		
Short term deposits	354	1,076
<b>Net interest payable and similar items</b>	(970)	(919)
Continuing operations	(968)	(904)
Discontinued operations	2	(15)
	(970)	(919)

# Cogent Power Limited

## Notes to the financial statements for the period ended 3 January 2004 (continued)

### 9 Loss on ordinary activities before taxation

	12 months to 3 January 2004 £'000	12 months to 28 December 2002 £'000
<b>Loss on ordinary activities before taxation is stated after crediting:</b>		
Amortisation of government grants	698	101
Profit on sale of fixed assets	1,166	-
Own work capitalised	518	1,069
<b>And after charging:</b>		
Amortisation of intangible fixed assets (including impairment)	818	12,265
Depreciation charge for the period:		
Tangible owned fixed assets	8,093	8,587
Accelerated depreciation on owned fixed assets	253	-
Auditors' remuneration for audit services (company £30,000 (2002: company £30,000))	228	227
Hire of plant and machinery – operating leases	972	841
Research and development expenditure	924	946
(Profit) on sale of business	-	(167)
Loss on sale of fixed assets	-	108

Other fees payable to the auditors in respect of non audit services during the period amounted to £89,000 (2002: £114,000).

The profit on sale of fixed assets, above, includes the profit on disposal of £937,000 from the sale of the group's interest in freehold land at Whitehill Road, Hamilton for £1 million.

# Cogent Power Limited

## Notes to the financial statements for the period ended 3 January 2004 (continued)

### 10 Tax on loss on ordinary activities

#### (a) Analysis of charge in the period

	12 months to 3 January 2004 £'000	12 months to 28 December 2002 £'000
<b>Current tax:</b>		
United Kingdom corporation tax – prior years	(39)	-
Adjustment in respect of prior periods – overseas tax	-	(302)
Overseas taxation	182	639
<b>Current tax charge (Note 10(b))</b>	<b>143</b>	<b>337</b>
<b>Deferred tax:</b>		
UK deferred tax:		
Origination and reversal of timing differences	(367)	(11)
Increase in discount	29	176
Overseas deferred tax:		
Origination and reversal of timing differences	1,517	335
Increase in discount	59	-
<b>Deferred tax charge</b>	<b>1,238</b>	<b>500</b>
<b>Tax on loss on ordinary activities</b>	<b>1,381</b>	<b>837</b>

#### (b) Factors affecting the tax charge for the period

The current tax charge reconciles with the standard rate of UK corporation tax as follows:

	12 months to 3 January 2004 £'000	12 months to 28 December 2002 £'000
Tax at standard rate of 30% (2002 : 30%)	(4,084)	(7,545)
Temporary differences between taxable and accounting profit:		
Accelerated capital allowances	579	(190)
Other	(1,733)	4
Prior year credit	(39)	(302)
Permanent differences	5,420	8,370
<b>Current tax charge (Note 10(a))</b>	<b>143</b>	<b>337</b>

# Cogent Power Limited

## Notes to the financial statements for the period ended 3 January 2004 (continued)

### 11 Profit on sale of business

	12 months to 3 January 2004 £'000	12 months to 28 December 2002 £'000
<b>Discontinued operations</b>		
Profit on disposal of subsidiary's net tangible assets	-	167
<b>Profit on sale of subsidiary</b>	-	167
Taxation	-	-
	-	167

In 2002 the group sold certain assets of Telmag Magnetic Components Limited.

### 12 Impairment of goodwill

In 2002 following a review of the carrying value of the goodwill arising on the acquisition of the Kienle + Spiess group and in accordance with FRS 11, the directors charged the result with an accelerated amortisation charge of £9,880,000. There was no such charge in 2003.

### 13 Results of the Company

As permitted by section 230 of the Companies Act 1985, the parent company's profit and loss account has not been included in these financial statements. The parent company's loss for the financial period, before dividends payable was £1,679,000 (2002: loss £12,061,000).

### 14 Intangible fixed assets

Group	Goodwill £'000	Licences £'000	Total £'000
<b>Cost</b>			
At 29 December 2002	35,586	335	35,921
Exchange rate translation differences	-	15	15
<b>At 3 January 2004</b>	<b>35,586</b>	<b>350</b>	<b>35,936</b>
<b>Accumulated amortisation</b>			
At 29 December 2002	15,497	225	15,722
Charge for the period	800	18	818
Exchange rate translation differences	-	15	15
<b>At 3 January 2004</b>	<b>16,297</b>	<b>258</b>	<b>16,555</b>
<b>Net book value</b>			
<b>At 3 January 2004</b>	<b>19,289</b>	<b>92</b>	<b>19,381</b>
At 28 December 2002	20,089	110	20,199

The goodwill arising on the acquisition of Kienle + Spiess Stanz und Druckgiesswerk GmbH is being amortised on a straight line basis over fifteen years. This is the period over which the directors estimate that the values of the underlying businesses are expected to exceed the values of the underlying assets.

# Cogent Power Limited

## Notes to the financial statements for the period ended 3 January 2004 (continued)

### 15 Tangible fixed assets

Group	Freehold Land and buildings £'000	Short Leasehold Land and Buildings £'000	Plant and Machinery £'000	Assets in the course of construction £'000	Total £'000
<b>Cost</b>					
At 29 December 2002	14,837	93	98,792	1,795	115,517
Additions	263	225	3,060	502	4,050
Disposals	(277)	-	(2,209)	-	(2,486)
Exchange rate translation differences	318	8	1,948	13	2,287
<b>At 3 January 2004</b>	<b>15,141</b>	<b>326</b>	<b>101,591</b>	<b>2,310</b>	<b>119,368</b>
<b>Accumulated depreciation</b>					
At 29 December 2002	924	63	58,633	-	59,620
Charge for the period	801	10	7,282	-	8,093
Accelerated depreciation (Note 4)	-	-	253	-	253
Disposals	(108)	-	(2,123)	-	(2,231)
Exchange rate translation differences	(203)	6	878	-	681
<b>At 3 January 2004</b>	<b>1,414</b>	<b>79</b>	<b>64,923</b>	<b>-</b>	<b>66,416</b>
<b>Net book value</b>					
<b>At 3 January 2004</b>	<b>13,727</b>	<b>247</b>	<b>36,668</b>	<b>2,310</b>	<b>52,952</b>
<b>Spares, loose plant and tools (net book value)</b>					<b>7,596</b>
<b>Net book value of tangible fixed assets at 3 January 2004</b>					<b>60,548</b>
Net book value at 28 December 2002	13,913	30	40,159	1,795	55,897
Spares, loose plant and tools (net book value)					8,514
<b>Net book value of tangible fixed assets at 28 December 2002</b>					<b>64,411</b>

### Company

The company has no tangible fixed assets.

# Cogent Power Limited

## Notes to the financial statements for the period ended 3 January 2004 (continued)

### 16 Fixed asset investments

Company	Interests in subsidiary undertakings £'000
<b>Cost</b>	
At 29 December 2002 and at 3 January 2004	105,082
<b>Amortisation</b>	
At 29 December 2002 and at 3 January 2004	15,497
<b>Net book value at</b>	
At 28 December 2002 and at 3 January 2004	89,585

### 17 Stocks

	Group 3 January 2004 £'000	Company 3 January 2004 £'000	Group 28 December 2002 £'000	Company 28 December 2002 £'000
Raw materials and consumables	8,254	-	4,216	-
Work in progress	14,294	-	17,766	-
Finished goods and goods for resale	11,071	-	12,185	-
	33,619	-	34,167	-



# Cogent Power Limited

## Notes to the financial statements for the period ended 3 January 2004 (continued)

### 18 Debtors

	Group 3 January 2004 £'000	Company 3 January 2004 £'000	Group 28 December 2002 £'000	Company 28 December 2002 £'000
<b>Amounts falling due within one year</b>				
Trade debtors (see Note 19)	32,965	-	34,259	-
Amounts owed by group undertakings:				
Parent company and fellow subsidiary undertakings	7,670	11,869	6,139	6,266
Receivable for Group relief	-	325	-	1,737
Other debtors	4,511	-	7,714	-
Overseas tax	398	-	818	-
	45,544	12,194	48,930	8,003
<b>Amounts falling due after more than one year</b>				
Other debtors	1,559	-	2,852	-
Deferred tax asset	312	-	1,939	-
	47,415	12,194	53,721	8,003
<b>Deferred taxation</b>				
At the beginning of the period	1,939	-	2,130	-
Exchange differences	123	-	131	-
Profit and loss account	(1,750)	-	(322)	-
At the end of the period	312	-	1,939	-

The deferred tax asset in the financial statements is made up as follows:

#### Group

	3 January 2004 £'000	28 December 2002 £'000
Tax effect of timing differences because of:		
Excess of tax allowances over depreciation	(1,110)	(930)
Other	1,422	2,869
Undiscounted deferred tax asset	312	1,939
Discount	-	-
<b>Discounted deferred tax asset</b>	<b>312</b>	<b>1,939</b>

# Cogent Power Limited

## Notes to the financial statements for the period ended 3 January 2004 (continued)

### 18 Debtors (continued)

#### Company

	3 January 2004 £'000	28 December 2002 £'000
Tax effect of timing differences because of:		
Excess of tax allowances over depreciation	-	-
Other	-	-
Undiscounted deferred tax asset	-	-
Discount	-	-
<b>Discounted deferred tax asset</b>	<b>-</b>	<b>-</b>

For the group, deferred tax assets have not been recognised in respect of UK tax losses with a tax value of £1,706,000 (2002: £780,000), as there is insufficient evidence that the asset will be recoverable. For the company, deferred tax assets have not been recognised in respect of tax losses with a tax value of £712,000 (2002: £30,000), as there is insufficient evidence that the asset will be recoverable.

### 19 Creditors – Amounts falling due within one year

	Group 3 January 2004 £'000	Company 3 January 2004 £'000	Group 28 December 2002 £'000	Company 28 December 2002 £'000
Bank loans and overdrafts (Note 21)	3,583	3,582	2,888	2,000
Amounts in respect of factored receivables	6,611	6,611	-	-
Trade creditors	25,516	-	31,493	-
Amounts owed to group undertakings	7,717	14,631	7,552	10,968
Corporation tax	102	-	189	-
Taxation and social security	2,537	-	2,841	-
Other creditors	9,698	655	7,363	1,064
Overseas tax	19	-	59	-
	<b>55,783</b>	<b>25,479</b>	<b>52,385</b>	<b>14,032</b>

Bank loans and overdrafts are denominated in a number of currencies and incur interest based on LIBOR or foreign equivalents appropriate to the country in which the borrowing is incurred. These bank loans and overdrafts are not secured and are repayable on demand.

# Cogent Power Limited

## Notes to the financial statements

for the period ended 3 January 2004 (continued)

### 19 Creditors – Amounts falling due within one year (Continued)

Amounts payable in respect of factored receivables represents amounts owed in respect of a Group Debt Purchase Agreement, under which the approved debtor balances of certain subsidiary companies are sold to a bank with recourse. Cogent Power Limited in turn reimburses the subsidiary companies whose approved debtors have been sold when cash in respect of those debtors is received. Interest on the factoring arrangement is charged at 1.5% above the bank's base rate, plus a service charge of 0.06% of the notified value of each notified debt. The charge for the period, which is reported within interest payable and similar charges, in respect of the above transactions amounted to £86,000 (2002: £nil). Included in Trade debtors are approved debtors of £15,497,000 which are subject to the Group Debt Purchase Agreement.

### 20 Creditors – Amounts falling due after more than one year

	Group 3 January 2004 £'000	Company 3 January 2004 £'000	Group 28 December 2002 £'000	Company 28 December 2002 £'000
Bank loans (Note 21)	-	-	6,000	6,000
Amounts owed to parent undertaking	7,500	7,500	15,000	15,000
Other creditors	3,059	2,500	7,980	5,000
	<b>10,559</b>	<b>10,000</b>	<b>28,980</b>	<b>26,000</b>

Bank loans include a loan of £Nil (2002 : £6,000,000) which is unsecured and bears interest at LIBOR plus 0.60%.

Amounts owed to parent undertaking represents a loan of £7,500,000 (2002 : £15,000,000) from Corus UK Limited which is unsecured and bears interest at LIBOR plus 2%.

Other creditors include a £2,500,000 (2002 : £5,000,000) loan from SSAB Tunnplåt AB which is unsecured and bears interest at LIBOR plus 2%.

### 21 Bank loans and overdrafts

	Group 3 January 2004 £'000	Company 3 January 2004 £'000	Group 28 December 2002 £'000	Company 28 December 2002 £'000
Repayable as follows:				
In one year or less or on demand	3,583	3,582	2,888	2,000
Between one and two years	-	-	2,000	2,000
Between two and five years	-	-	4,000	4,000
	<b>3,583</b>	<b>3,582</b>	<b>8,888</b>	<b>8,000</b>

# Cogent Power Limited

## Notes to the financial statements for the period ended 3 January 2004 (continued)

### 22 Provision for liabilities and charges

Group	Pensions £'000	Deferred Tax £'000	Total £'000
At 29 December 2002	38,538	5,245	43,783
Exchange differences	3,206	219	3,425
Profit and loss account	3,234	(512)	2,722
Utilised in the period	(2,426)	-	(2,426)
<b>At 3 January 2004</b>	<b>42,552</b>	<b>4,952</b>	<b>47,504</b>

### Deferred tax

Deferred tax provided in the financial statements is as follows:

Group	3 January 2004 £'000	28 December 2002 £'000
Tax effect of timing differences because of:		
Excess of tax allowances over depreciation	4,444	4,471
Other	1,154	1,397
Undiscounted provision for deferred tax	5,598	5,868
Discount	(646)	(623)
<b>Discounted provision for deferred tax</b>	<b>4,952</b>	<b>5,245</b>

### 23 Accruals and deferred income

Group	£'000
<b>Government grants</b>	
At 29 December 2002	1,767
New grants	382
Amortisation in period	(698)
Exchange translation differences	56
<b>At 3 January 2004</b>	<b>1,507</b>

# Cogent Power Limited

## Notes to the financial statements for the period ended 3 January 2004 (continued)

### 24 Pension and similar obligations

Cogent Power Limited, Orb Electrical Steels Limited and British Transformer Cores Limited participate in the British Steel Pension scheme operated by the ultimate parent company. Contributions and pension cost are based on pension costs across the parents group as a whole. This is a funded, defined benefit scheme providing benefits based on final pay and service at retirement. This scheme was established on 1 October 1990 and members of the previous scheme transferred their benefits into the scheme. The fund is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. The latest actuarial assessment of the scheme was at 31 March 2002. The next formal valuation will be carried out as at 31 March 2005. Particulars of the valuation are contained in the accounts of Corus Group plc. The pension costs of the above companies for the period ended 3 January 2004 amounted to £99,000 (2002: £188,000).

Some of the group's employees are members of other defined benefit pension schemes. With the exception of the schemes in Germany, which are unfunded, the assets of the schemes are held in separately administered funds. The regular pension costs of the German schemes are determined in accordance with the advice of independent professionally qualified actuaries. Contributions to the other schemes are determined by independent professionally qualified actuaries on the basis of triennial valuations. The actuarial method assumptions used in the above schemes valuations are as follows:

	German Schemes	Other Schemes
Valuation method	Projected unit	Projected unit
Investment return	5.5% per annum	7% per annum
Salary increases	3.0% per annum	4.5% per annum
Rates of future pension increases	2.0% per annum	2.5% per annum
Market value for scheme assets at last valuation date	Unfunded	£19 million

The group's pension cost to these schemes amounted to £3,660,000 (2002: £2,779,000) for the period.

In addition, some employees of the group have defined contribution pension arrangements and contributions by the group to such schemes amounted to £1,607,000 (2002: £1,584,000).

# Cogent Power Limited

## Notes to the financial statements for the period ended 3 January 2004 (continued)

### 24 Pension and similar obligations (continued)

#### FRS 17 Retirement benefits

Particulars of the British Steel Pension Scheme and FRS 17 disclosures for this scheme are contained in the accounts of Corus Group plc. For the purpose of the FRS 17 disclosures, it is not possible to apportion any amounts relating to the British Steel Pension Scheme to the disclosures below.

The results of the most recent actuarial valuations of the German and Other Schemes have been updated at 3 January 2004 by qualified independent actuaries in order to determine the FRS 17 disclosures.

#### (a) Major assumptions

The major assumptions used by the actuaries were:

	German Schemes			Other Schemes		
	3 January 2004	28 December 2002	29 December 2001	3 January 2004	28 December 2002	29 December 2001
Valuation method	Projected unit	Projected unit	Projected unit	Projected unit	Projected unit	Projected unit
Salary increases	3.0%	3.5%	3.5%	3.7%	4.5%	4.5%
Rates of future pension increases	2.0%	2.0%	2.0%	2.7%	2.5%	2.5%
Discount rate	5.5%	6.0%	6.0%	5.4%	5.8%	5.8%
Inflation assumption	2.0%	2.0%	2.0%	2.7%	2.5%	2.5%

#### (b) Profit and loss account

Analysis of the amount that would be charged to operating loss on full compliance with FRS 17 for the period :

	12 months to 3 January 2004 £'000	12 months to 28 December 2002 £'000
Current service cost	844	739
Past service costs	-	-
Previously unrecognised surplus deducted from past service costs	-	-
<b>Total charged to operating loss</b>	<b>844</b>	<b>739</b>

# Cogent Power Limited

## Notes to the financial statements for the period ended 3 January 2004 (continued)

### 24 Pension and similar obligations (continued)

Analysis of the amount charged to other finance income on full compliance with FRS 17 for the period:

	12 months to 3 January 2004 £'000	12 months to 28 December 2002 £'000
Interest on pension scheme liabilities	3,544	3,336
Expected return on assets in the pension scheme	(1,263)	(1,631)
Net charge to other finance income	2,281	1,705

#### (c) Statement of total recognised gains and losses

Analysis of amounts that would be recognised in the statement of total recognised gains and losses on full compliance with FRS 17 for the period:

	12 months to 3 January 2004 £'000	12 months to 28 December 2002 £'000
(Gains)/losses on assets	(1,863)	4,594
Experience (gains)/losses on liabilities	(2,669)	1,393
Losses/(gains) on change of assumptions (financial and demographic)	4,381	(1,638)
Actuarial (gains)/losses recognised in statement of total recognised gains and losses before adjustment for tax	(151)	4,349

History of experience gains and losses for the period:

	12 months to 3 January 2004		12 months to 28 December 2002	
	%	£'000	%	£'000
(Gains)/loss on scheme assets				
% of scheme assets at end of year and amounts	8.5	(1,863)	24	4,594
Experience (gains)/loss on scheme liabilities				
% of scheme assets at end of year and amounts	6	(2,669)	7	1,393
Total actuarial (gains)/loss recognised in statement of total recognised gains and losses				
% of scheme assets at end of year and amounts	7.5	(151)	19	4,349

# Cogent Power Limited

## Notes to the financial statements for the period ended 3 January 2004 (continued)

### 24 Pension and similar obligations (continued)

#### (d) Balance sheet information

The German Schemes are unfunded. The assets in the Other Schemes and the expected rate of return were:

	Long term rate of return expected at 3 January 2004	Value at 3 January 2004	Long term rate of return expected at 28 December 2002	Value at 28 December 2002	Long term rate of return expected at 29 December 2001	Value at 29 December 2001
	%	£'000	%	£'000	%	£'000
Equities	8.1	12,823	8.0	11,174	7.8	18,510
Bonds	5.4	4,069	5.6	3,913	5.0	2,760
Property	-	-	-	-	6.4	860
Index linked	4.9	4,088	4.5	3,913	-	-
Cash/ others	-	-	-	-	4.5	6,400
	6.95	20,980	6.8	19,000	7.3	28,530

The following amounts at 3 January 2004 were measured in accordance with the requirements of FRS 17.

	3 January 2004		28 December 2002	
	German Schemes £'000	Other Schemes £'000	German Schemes £'000	Other Schemes £'000
Total market value of assets	Unfunded	20,980	Unfunded	19,000
Present value of scheme liabilities	(40,143)	(24,594)	(36,257)	(23,906)
Deficits in the schemes	(40,143)	(3,614)	(36,257)	(4,906)
Related deferred tax assets	3,143	1,084	2,841	1,473
Net pension liabilities	(37,000)	(2,530)	(33,416)	(3,433)



# Cogent Power Limited

## Notes to the financial statements for the period ended 3 January 2004 (continued)

### 24 Pension and similar obligations (continued)

If the above amounts had been recognised in the financial statements, the group's net assets and profit and loss reserve at 3 January 2004 would be as follows:

#### Balance sheet note

	3 January 2004 £'000	28 December 2002 £'000
Net assets	59,105	73,551
Adjustment for SSAP 24 provisions net of deferred tax	39,939	33,020
Net assets excluding SSAP 24 pension liabilities	99,044	106,571
FRS 17 pension liabilities	(39,516)	(36,849)
Net assets including FRS 17 pension liabilities	59,528	69,722

#### Reserves note

Profit and loss reserve	(13,562)	884
Adjustment for SSAP 24 provisions net of deferred tax	39,939	33,020
Profit and loss reserve excluding FRS 17 pension reserve	26,377	33,904
FRS 17 pension reserve	(39,516)	(36,849)
Profit and loss reserve including FRS 17 pension reserve	13,139	(2,945)

# Cogent Power Limited

## Notes to the financial statements for the period ended 3 January 2004 (continued)

### 25 Called-up share capital

	3 January 2004 £'000	28 December 2002 £'000
<b>Authorised</b>		
<b>Equity share capital</b>		
180,000,000 ordinary shares of 25p each	45,000	45,000
<b>Non-equity share capital</b>		
30,000,000 redeemable shares of £1 each	30,000	30,000
	<b>75,000</b>	<b>75,000</b>
<b>Allotted, called up and fully paid</b>		
<b>Equity share capital</b>		
170,667,600 ordinary shares of 25p each	42,667	42,667
<b>Non-equity share capital</b>		
30,000,000 redeemable shares of £1 each	30,000	30,000
	<b>72,667</b>	<b>72,667</b>

The redeemable shares were issued in 2000 at £1 per share and are redeemable at £1 per share at the discretion of the shareholders, at such time as the company has sufficient distributable reserves.

### 26 Reserves

Group	Profit and loss account £'000
At 29 December 2002	884
Exchange gains arising on consolidation of subsidiaries	547
Retained loss for the period	(14,993)
<b>At 3 January 2004</b>	<b>(13,562)</b>

Company	Profit and loss account £'000
At 29 December 2002	(4,683)
Retained loss for the period	(1,679)
<b>At 3 January 2004</b>	<b>(6,362)</b>

# Cogent Power Limited

## Notes to the financial statements for the period ended 3 January 2004 (continued)

### 27 Reconciliation of movements in shareholders' funds

	3 January 2004 £'000	28 December 2002 £'000
Opening shareholders' funds	73,551	98,416
Loss for the financial period	(14,993)	(25,987)
Other recognised gains	547	1,122
<b>Closing shareholders' funds</b>	<b>59,105</b>	<b>73,551</b>

### 28 Non equity shareholders' funds

	3 January 2004 £'000	28 December 2002 £'000
Redeemable shares	30,000	30,000

### 29 Reconciliation of net cash flow to movement in net debt

	3 January 2004 £'000	28 December 2002 £'000
Decrease in cash in the period	(15,899)	(3,008)
Decrease in debt	9,873	2,671
<b>Change in net debt resulting from cash flows</b>	<b>(6,026)</b>	<b>(337)</b>
Non-cash items:		
Translation differences	247	527
Movement in net debt in the period	(5,779)	190
Opening net debt	(920)	(1,110)
<b>Closing net debt</b>	<b>(6,699)</b>	<b>(920)</b>

# Cogent Power Limited

## Notes to the financial statements for the period ended 3 January 2004 (continued)

### 30 Analysis of net debt

	At 29 December 2002 £'000	Cash Flow £'000	Exchange Movements £'000	At 3 January 2004 £'000
<b>Net cash</b>				
Cash at bank and in hand	27,968	(14,803)	330	13,495
Bank overdrafts	(888)	(1,096)	(83)	(2,067)
	27,080	(15,899)	247	11,428
<b>Debt</b>				
Debt due after one year	(26,000)	16,000	-	(10,000)
Debt due within one year	(2,000)	(6,127)	-	(8,127)
	(28,000)	9,873	-	(18,127)
<b>Total</b>	(920)	(6,026)	247	(6,699)

### 31 Financial commitments

At 3 January 2004 the Group had annual commitments under non-cancellable operating leases as follows:

	3 January 2004 Land and Buildings £'000	3 January 2004 Other £'000	28 December 2002 Land and Buildings £'000	28 December 2002 Other £'000
Expiring within one year	99	118	-	74
Expiring between two and five years inclusive	97	559	-	237
Expiring in more than five years	159	159	80	-
	355	836	80	311

### 32 Capital commitments

Group	3 January 2004 £'000	28 December 2002 £'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	317	98

# **Cogent Power Limited**

## **Notes to the financial statements for the period ended 3 January 2004 (continued)**

### **33 Related party transactions**

The Group has identified the following transactions which fall to be disclosed under the terms of Financial Reporting Standard Number 8, "Related Party Transactions".

#### **Corus Group plc and subsidiaries**

At 3 January 2004, Corus UK Limited held 75% of the equity share capital of the company.

In the course of normal trading, the Group enters into transactions with subsidiaries of Corus Group plc for the purchase and sale of steel products. The total of such purchases in the period amounted to £25,243,000 (2002: £22,165,000) and the total sales amounted to £15,928,000 (2002: £15,005,000). In addition, the Group purchases certain management and administrative services from subsidiaries of Corus Group plc, which amounted to £887,000 during the period ended 3 January 2004 (2002: £1,129,000).

The total amounts owed to Corus Group plc and its subsidiaries in respect of such transactions was £7,208,000 (2002: £7,552,000) and the total amounts due from Corus Group plc and its subsidiaries was £7,812,000 (2002: £6,139,000). No amounts were written off in the period in respect of debts due to or from Corus Group subsidiaries.

All of the above transactions were carried out on an arm's length basis.

#### **SSAB Svenskt Stål AB**

At 3 January 2004, SSAB Tunnplåt AB held 25% of the equity share capital of the company. In the course of normal trading, the Group enters into transactions with SSAB Tunnplåt AB for the purchase of steel coil. The total of such purchases in the period amounted to £26,202,000 (2002: £18,508,000). The total amounts owed to SSAB Tunnplåt AB in respect of such transactions was £2,893,000 (2002: £4,414,000). No amounts were written off in the period in respect of debts due to SSAB Tunnplåt AB.

All of the above transactions were carried out on an arm's length basis.

# Cogent Power Limited

## Notes to the financial statements for the period ended 3 January 2004 (continued)

### 34 Ultimate and immediate parent company

The directors regard Corus Group plc, a company registered in England and Wales, as the company's controlling related party and ultimate parent company. According to the register kept by the company, Corus UK Limited, the immediate parent company, had a 75% interest in the equity share capital of Cogent Power Limited at 3 January 2004. The results and state of affairs of the company are only consolidated by Corus Group plc, the consolidated financial statements of which are available to the public and may be obtained from Corus Group plc, 30 Millbank, London, SW1P 4WY.

### 35 Interests in subsidiaries

Name of undertaking	Country of incorporation or registration
<b>Processing and sale of electrical steels</b>	
Orb Electrical Steels Limited	England and Wales
Surahammars Bruks AB	Sweden
Cogent Power Inc*	Canada
Cogent Power Inc*	United States
Cogent Power Inc*	Mexico
British Transformer Cores Limited	England and Wales
<b>Manufacture and sale of electrical laminations</b>	
Kienle + Spiess Stanz und Druckgiesserei GmbH*	Germany
Sankey Laminations Limited*	England and Wales
K + S Hungary Ipari Kft*	Hungary
Geo L Scott & Co Limited*	England and Wales
Euro Laminations Limited*	England and Wales
<b>Holding and management undertakings</b>	
EES Group Services Limited	England and Wales
European Electrical Steels Nederland BV*	Netherlands
Wardstorm Limited*	England and Wales
Telmag (Holdings) Limited*	Scotland
K + S Management Services Limited*	England and Wales
<b>Non trading undertakings</b>	
Telmag Magnetic Components Limited*	Scotland
Cogent Laminations Inc*	United States

All subsidiary companies are wholly owned and comprise ordinary shares. All shareholdings are in the name of Cogent Power Limited, except for those in companies marked \*, which are owned by subsidiary companies. All the above subsidiaries have been included in the Group consolidation.