ABSL Power Solutions Ltd

Annual report and consolidated financial statements

For the year ended 31 March 2010

Registered Number 2840892

ABSL Power Solutions Ltd

Contents

ABSL Power Solutions Ltd

Financial highlights

- Revenue **£16.2M**

- Operating profit **£1.4M** before exceptional items

- **£0.7M** cash generated from operations

- Shareholder investment of **£9.5M** for equity shares on 28th September 2009 resulting in positive net assets at 31st March 2010 of **£1.2M.**

ABSL Power Solutions Ltd

Directors and advisers for the year ended 31 March 2010

Directors
C G Murray
M A J Kelly
R N Forster
G C Ryan, resigned 30th June 2009
P M Cooper, resigned 31st August 2009

Company secretary
Jamestown Investments Limited

Registered office
Building F4
Culham Science Centre
Abingdon
Oxfordshire
OX14 3ED

Independent Auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
141 Bothwell Street
Glasgow
G2 7EQ

Bankers
HSBC Bank Plc
26 Broad Street
Reading
RG1 2BU

ABSL Power Solutions Ltd

Directors' report for the year ended 31 March 2010

The directors present their annual report and the audited consolidated financial statements of ABSL Power Solutions Ltd ("the Company") and its subsidiary undertakings ("the Group") for the year ended 31 March 2010 The Company's registered number is 2840892

Principal activities
The principal activity of the Group is the supply of integrated power systems. The business researches, designs and manufactures battery packs, chargers and power management systems for highly demanding markets including defence, space, aerospace, marine and medical With its acquisition in June 2006 of AGM Batteries Limited, the Group also has the ability to produce and supply lithium ion cells for its own and third party battery manufacture

Operating and financial review
The ABSL Group had a further positive year with an excellent order intake underpinning future revenues and earnings

The **Custom Products Division**, which includes batteries and calibration systems for spacecraft, grew overall revenues by 31 5% from both its established facilities in Culham, Oxfordshire and the Longmont, Colorado, USA factory opened last year With its unique solutions, the Division's market share in spacecraft batteries in Europe remains very high and it is the Group's objective to grow market share in the USA During the year, NASA awarded the contract for the Global Precipitation Measurement mission to ABSL in Longmont This is the largest order, by value, won to date by ABSL's Custom Products business In Europe, continued success was marked by the award of the battery contracts for, amongst others, AstroTerra and BEPI – Colombo Total order intake for the Division for the year was £12 4 million, an increase of 90% over the previous year

Since the end of the year there have been other contract wins both in Europe and United States and the market prospects look excellent The space-borne instrument calibration business is growing steadily with the Group building further expertise in this market segment Added to the existing heritage, this progress gives the Directors confidence that in the next few years this will become a major segment of the Division's business

The **Power Solutions Division**, which manufactures batteries and battery chargers for the military market benefited from a significant order from the UK Ministry of Defence under its Urgent Operational Requirements (UOR) to supply innovative portable chargers, cables and a new type of high capacity primary battery to the British Army Some of this equipment is destined for use in Afghanistan This and other orders meet some of the British Army's requirements within the overall context of the soldier modernisation programme At the same time, there has been on-going business in refurbishment and replacements of equipment supplied under the previous Bowman programme

In addition, the Division has also been producing batteries for the British Army's new Unmanned Aerial System (UAS), the US Navy's underwater mine neutralisation system, new radio batteries for the Austrian Army and new specialist batteries for the Norwegian Army's military vehicles

During the course of the year the Division explored opportunities in the military hybrid vehicle market where its technology is suitable for several applications, and was successful in securing a development contract for the early stage of a programme to upgrade some British army vehicles This market demands ruggedised batteries meeting challenging specifications The Division believes its products and those under development are ideally suited to this type of application

ABSL Power Solutions Ltd
Directors' report for the year ended 31 March 2010 (continued)

AGM Batteries Ltd, a wholly owned subsidiary of the Company, is introducing new format pouch cells These can be either primary or rechargeable cells with increased energy arising from enhanced cell chemistries developed with partners in a compact pouch package. The equipment required for volume production of pouch cells is presently being commissioned The Power Solutions division has secured a significant order for primary batteries, from the Ministry of Defence which includes AGM's revolutionary new primary cell

The Company's overall financial performance improved significantly in the year to 31 March 2010 A consolidated loss in the previous year of £986,000 was transformed into a profit of £532,000 despite a 10% decrease in turnover Much of the improvement is as a result of tightly managed selling, distribution and administrative expenses and a decrease in exceptional administrative expenses as shown in note 3 In the United States, ABSL Power Solutions Inc , the Company's subsidiary recorded its first profit

The shareholder subscribed for £9 5million of equity shares during the year which has allowed the Group to become largely debt – free and report positive net worth At year end the Group held £848,000 of cash and cash equivalents

Principal risks and uncertainties
The Group's customers are principally governments and their agencies in Europe and the United States A severe curtailment of government spending could impact orders for the Group's products and consequently its turnover and profitability The Director's consider that, whilst the Group cannot be immune from such pressures, the specialist markets it serves are less likely to be severely impacted by budget cuts

The Group develops and sells products which the Directors consider are technically very advanced Inherent in any company that relies on developing new products exploiting advanced technologies, is the risk that a new product does not achieve its anticipated performance and consequently does not justify the investment that has been made to bring it to market.

Future developments
As noted in the operating and financial review, the Group will commence production of two major new cells employing innovative chemistries during summer 2010 The performance advantages will dissipate as competitors emerge, and thus the Group continues to work with research centres to be in a position to commercialise their developments in products for the next generation of cells and batteries Military batteries and chargers are also being redesigned to maintain the Group's competitive advantage In a fast changing market the Group remains committed to the development work necessary to ensure it offers its customers robust and leading edge products

Key performance Indicators
Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development performance or position of the business

Financial risk management
IFRS 7 Financial instruments disclosures, requires disclosure on financial risk management in the financial statements and accordingly this is presented in accounting policies, note 3, of these financial statements On this basis no discussion of financial risk management is made in the directors' report

ABSL Power Solutions Ltd
Directors' report for the year ended 31 March 2010 (continued)

Funding arrangements
The ultimate parent undertaking, CIP Industries L.P. Incorporated (CIPI) has grouped certain businesses together as a portfolio for the purpose of arranging appropriate funding The portfolio comprises

(i) UK Facility Group:
- ABSL Power Solutions Ltd and subsidiaries
- Accentus Plc
- ESR Technology Limited
- SHE Software Limited
- MAPS Technology Limited

(ii) QSA Holdings Limited, Guernsey, and subsidiaries (QSA)

The portfolio's funding requirements have been assessed as a whole and facilities made available from the portfolio's bankers (HSBC), additional funding from CIPI and the securitisation of QSA The securitisation of QSA provides facilities required by QSA and by CIPI for loaning to UK Facility Group companies as it deems appropriate.

Funding needs and cash generated by the UK Facility Group of companies are managed on a group basis whereby each company has access to facilities within limits based on agreed budgets

Results and dividends
The consolidated profit for the financial year amounted to £0 5m (2009 £1.0m loss)

No interim dividend was paid during the year (2009 £nil) The directors do not recommend payment of a final dividend (2009 £nil)

Research and development
Research and development expenditure amounted to £1 3m (2009 £0 6m) Costs incurred on development projects relate to the development of new cells and integrated power systems

Environmental safety and health
The directors take their responsibility in this area seriously and have in place appropriate reporting procedures which ensure that all incidents are notified and actions reviewed. The RoHS, WEEE and COSHH directives are all complied with Where qualified exemptions exist, in respect of batteries and military equipment, the Group is working with its suppliers to meet the requirements ahead of time

Directors
The directors who held office during the year and up to the date of signing the financial statements are listed on page 2

ABSL Power Solutions Ltd
Directors' report for the year ended 31 March 2010 (continued)

Statement of directors' responsibilities
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006 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

Independent Auditors and disclosure of information to auditors
So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and each of the directors believes that they have taken all the steps that ought to have been taken as a director in order to make them aware of any relevant audit information and to establish that the company's auditors are aware of that information

Creditor payment policy
The group's policy is to agree terms of trading which are appropriate for suppliers' markets and to abide by such terms where suppliers' obligations have been met

The average creditor payment period at 31 March 2010 was 23 days (2009 26 days)

Political donations and political expenditure
The Group made no political donations and incurred no political expenditure during 2010 (2009 £nil)

Charitable donations
The Group made no charitable donations during 2010 (2009 £nil)

By order of the Board

C G Murray
Director

2 July 2010

ABSL Power Solutions Ltd

Independent auditor's report to the members of ABSL Power Solutions Ltd

We have audited the group and parent company financial statements (the "financial statements") of ABSL Power Solutions Ltd for the year ended 31 March 2010 which comprise the Group and Parent Company Statement of Comprehensive Income, Group and Parent Company Statement of Changes in Equity, the Group and Parent Company Statement of Financial Position, the Group and Parent Company Statement of Cash Flow, the Accounting Policies and the related notes The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of: whether the accounting policies are appropriate to the group's and parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company company's affairs as at 31 March 2010 and of the group's and parent company's profit and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

ABSL Power Solutions Ltd
Independent auditor's report to the members of ABSL Power Solutions Ltd (continued)

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Gerard Seenan

Gerard Seenan (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
2 July 2010

ABSL Power Solutions Ltd
Consolidated statement of comprehensive income for the year ended 31 March 2010

	Notes	2010 £'000	2009 £'000
Revenue	1	**16,214**	18,090
Cost of sales		**(10,643)**	(9,365)
Gross profit		**5,571**	8,725
Selling and distribution costs		**(785)**	(1,279)
Administrative expenses		**(3,398)**	(6,419)
Exceptional administrative expenses	3	**(667)**	(1,811)
Other income	4	**2**	256
Operating profit / (loss)	2	**723**	(528)
Finance costs	5	**(191)**	(458)
Profit / (loss) before income tax	2	**532**	(986)
Income tax	6	**-**	-
Profit / (loss) for the financial year	19	**532**	(986)

All results are from continuing operations

The accounting policies and notes on pages 13 to 35 are an integral part of these financial statements

The Company has elected to take exemption under section 657 of the Companies Act 2006 to not present the parent company profit and loss account

The profit for the parent Company for the year was £0 9m (2009 £0 7m).

ABSL Power Solutions Ltd
Consolidated statement of changes in shareholders' equity

Group	Share capital	Share premium	Capital contribution	Accumulated losses	Exchange difference *	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Profit for the year		-	-	532	79	611
Capital introduced	9,500	-	-	-	-	9,500
Balance as at 1 April 2009	2,796	54	1,156	(12,561)	(317)	(8,872)
Balance as at 31 March 2010	**12,296**	**54**	**1,156**	**(12,029)**	**(238)**	**1,239**

* Exchange difference on retranslation of net assets of subsidiary undertaking

Company	Share capital	Share premium	Capital contribution	Accumulated losses	Total
	£'000	£'000	£'000	£'000	£'000
Profit for the year	-	-	-	866	866
Capital Introduced	9,500	-	-	-	9,500
Balance as at 1 April 2009	2,796	54	1,156	(10,982)	(6,976)
Balance as at 31 March 2010	**12,296**	**54**	**1,156**	**(10,116)**	**3,390**

Consolidated statement of recognised Income and expense

	2010	2009
	£'000	£'000
Profit /(loss) for the year	532	(986)
Other comprehensive income		
Currency translation differences	79	(317)
Total comprehensive profit / (loss) for the year	611	(1,303)

The accounting policies and notes on pages 13 to 35 are an integral part of these financial statements

ABSL Power Solutions Ltd
Consolidated statement of financial position as at 31 March 2010

	Notes	Group 2010 £'000	Group 2009 £'000	Company 2010 £'000	Company 2009 £'000
Assets					
Non-current assets					
Intangible assets	7	**237**	54	**237**	54
Property plant and equipment	8	**746**	973	**584**	845
Trade and other receivables	10	-	-	-	60
Total non-current assets		**983**	1,027	**821**	959
Current assets					
Inventories	9	**2,029**	2,788	**1,693**	2,270
Trade and other receivables	10	**4,599**	3,908	**6,399**	5,396
Financial assets		**1,342**	-	**1,156**	-
Total current assets		**7,970**	6,696	**9,248**	7,666
Liabilities					
Current liabilities					
Trade and other payables	11	**(4,731)**	(4,995)	**(3,696)**	(3,716)
Financial liabilities and borrowings	14	**(494)**	(9,979)	**(494)**	(10,264)
Provisions for liabilities and charges	13	**(1,288)**	(1,618)	**(1,288)**	(1,618)
Total current liabilities		**(6,513)**	(16,592)	**(5,478)**	(15,598)
Net current assets / (liabilities)		**1,457**	(9,896)	**3,770**	(7,932)
Non-current liabilities					
Creditors, amounts falling due after 1 year	12	**(1)**	(3)	**(1)**	(3)
Financial borrowings due after 1 year	15	**(1,200)**	-	**(1,200)**	-
Total non current liabilities		**(1,201)**	-	**(1,201)**	-
Net assets / (liabilities)		**1,239**	(8,872)	**3,390**	(6,976)
Shareholders' equity					
Capital and reserves attributable to the Company's equity holders					
Ordinary shares	17	**12,296**	2,796	**12,296**	2,796
Share premium	18	**54**	54	**54**	54
Capital contribution	20	**1,156**	1,156	**1,156**	1,156
Accumulated losses	19	**(12,029)**	(12,561)	**(10,116)**	(10,982)
Exchange difference on retranslation of net assets of subsidiary undertaking		**(238)**	(317)	-	-
Total shareholders' funds / (deficit)		**1,239**	(8,872)	**3,390**	(6,976)

The notes on pages 13 to 35 are an integral part of the financial statements These financial statements on pages 9 to 35 were approved by the board of directors on 2 July 2010 and were signed on its behalf by

CGMurray

C G Murray
Director

ABSL Power Solutions Ltd

Consolidated statement of cash flows for the year ended 31 March 2010

		Group		Company	
		2010	2009	2010	2009
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Cash generated from operations	21	659	1,685	685	1,666
Interest paid		(191)	(458)	(191)	(458)
Net cash generated from operating activities		468	1,227	494	1,208
Cash flows from investing activities					
Purchases of intangible assets		(227)	(250)	(227)	(250)
Purchase of property, plant and equipment		(114)	(162)	(41)	(57)
Net cash used in investing activities		(341)	(412)	(268)	(307)
Financing					
Issue of shares		9,500	-	9,500	-
Increase in debt		1,200	-	1,200	-
Net increase in cash and cash equivalents		10,827	815	10,926	901
Cash and cash equivalents at 1 April 2009		(9,979)	(10,794)	(10,264)	(11,165)
Cash and cash equivalents at 31 March 2010		848	(9,979)	662	(10,264)

Analysis of net debt

	Group		
	At 1 April 2009 £'000	Cash flow £'000	At 31 March 2010 £'000
Cash at bank and in hand	-	1,342	1,342
Bank Overdraft	(9,979)	9,485	(494)
	(9,979)	10,827	848
Inter-company loan	-	(1,200)	(1,200)
Total	(9,979)	9,627	(352)

The accounting policies and notes on pages 13 to 35 are an integral part of these financial statements

ABSL Power Solutions Ltd

Accounting policies

1 General information

ABSL Power Solutions Ltd ("the Company") and its subsidiaries (together, "the Group") designs, manufactures and supplies integrated power systems The Group has facilities in the UK and the US

The Company is limited by shares, incorporated and domiciled in the United Kingdom The registered office of the Company is

Building F4
Culham Science Centre
Abingdon
Oxfordshire
OX14 3ED

The financial statements comprise the results of the Group

The financial statements have been approved for issue by the Board of Directors on 30 June 2010 No persons have the power to amend the financial statements beyond that date

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below These policies have been consistently applied

Basis of preparation
These consolidated financial statements have been prepared in accordance with European Union endorsed International Financial Reporting Standards (IFRS), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS, and have been prepared under the historical cost convention. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates It also requires management to exercise its judgement in the process of applying the Group's accounting policies The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial information are disclosed in the Critical judgements in applying the entity's accounting policies section

Changes in accounting policies and disclosures
Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 April 2009 or later periods but which the Group has not early adopted

a) Standards, amendments and interpretations effective in 2009 with minimal or no impact on the Group

- IFRS 2 (amendment), "Share based payments"
- IFRS 8, "Operating Segments" IFRS 8 replaces IAS 14 "Segmental reporting", and requires a "management approach" under which segmental information is presented on the same basis as that used for internal reporting purposes
- IAS 1 (revised), "Presentation of Financial Statements"
- IAS 16 (amendment), "Property, plant and equipment" (and consequential amendment to IAS 7, "Statement of cash flows")
- IAS 19 (amendment), "Employee Benefits"
- IAS 20 (amendment), "Accounting for government grants and disclosure of government assistance"
- IAS 23 (revised), "Borrowing costs"

ABSL Power Solutions Ltd

2 Summary of significant accounting policies (continued)

- IAS 24 (amendment), "Related party disclosures", effective January 2011
- IAS 28 (amendment), "Investments in associates", (and consequential amendment to IAS 32 "Financial instruments presentation", and IFRS 7 "Financial instruments disclosure")
- IAS 29 (amendment), "Financial reporting in hyperinflationary economies"
- IAS 31 (amendment), "Interests in joint ventures", (and consequential amendments to IAS 32 and IFRS 7)
- IAS 32 (amendment), "Financial Instruments presentation" and IAS 1 (amendment), "Presentation of financial statements" – "Puttable financial instruments and obligations arising on liquidation"
- IAS 36 (amendment), "Impairment of assets"
- IAS 38 (amendment), "Intangible assets"
- IFRIC 12, "Service concession arrangements"
- IFRIC 14, "IAS 19 – Prepayment of a minimum funding requirement", effective 1 January 2011
- IFRIC 16 (amendment), "Hedges of net Investment in a foreign operation"

b) New standards and interpretations to existing standards that are not yet effective and have not been early adopted by the Group The impact on the Group's operations is currently being assessed

- IAS 27 (revised), "Consolidated and separate financial statements", effective from 1 July 2009

c) Interpretations to existing standards that are not yet effective and are not anticipated to be relevant for the Group's operations

- IFRS 3 (revised), "Business combinations revised", effective from 1 July 2009
- IFRS 5 (amendment), "Non-current assets held-for-sale and discontinued operations", (and consequential amendment to IFRS 1 "First time adoption"), effective from 1 July 2009
- IFRS 9, "Financial instruments", effective from 1 January 2013
- IAS 39, Financial Instruments "Recognition and measurement – Amendments for eligible hedged items" 1 July 2009
- IFRIC 17, "Distributions of non-cash assets to owners", effective from 1 July 2009
- IFRIC 18, "Transfers of assets from customers', effective from 1 July 2009
- IFRIC 19, "Extinguishing financial liabilities with equity instruments", effective 1 July 2010

Basis of consolidation
Subsidiaries are all entities which the Group has the power to govern the financial and operating policies of and generally accompanying a shareholding with more than one half of the voting rights Subsidiaries are fully consolidated from the date on which control is transferred to the Group They are de-consolidated from the date that control ceases

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group

Going concern
In the year to 31 March 2010 the Group made a profit of £0 5m (2009 £1 0m loss) and had a net cash inflow from operating activities of £0 5m (2009 £1 2m). The Group is party to a portfolio funding arrangement and its continuation as a going concern is dependent on sufficient facilities being made available as described within 'Funding arrangements' in the Directors' Report The directors are satisfied that sufficient facilities will be made available

ABSL Power Solutions Ltd

2 Summary of significant accounting policies (continued)

Revenue recognition
Revenue, which excludes value added tax and trade discounts, represents the fair value of services supplied and the value of long-term contract work completed

Segmental reporting
A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of components operating in other economic environments

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments

Leases
Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term

Leases where the lessor retains a significant portion of the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease

Onerous lease provision
IAS 37 Provisions, contingent liabilities and contingent assets requires that if an entity has an onerous contract, the present obligation under the contract shall be recognised and measured as a provision. The Group determines that a contract is onerous when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it

Foreign currency translation
Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency") The consolidated financial statements are presented in Sterling, which is the Company's functional and presentation currency

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement

ABSL Power Solutions Ltd

2 Summary of significant accounting policies (continued)

Property plant and equipment
All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment Historical cost includes expenditure that is directly attributable to the acquisition of the items Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably All other repairs and maintenance expenditures are charged to the income statement during the financial period in which they are incurred

Depreciation is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life as follows:

Leasehold improvements	20% straight line
Furniture and fixtures	20% straight line
Computer equipment	33% to 50% straight line
Plant and equipment	10% to 20% straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the income statement

Intangible assets
Research and development
Research expenditure is recognised as an expense as incurred Costs incurred on development projects relating to developing new integrated power systems are recognised as intangible assets when it is probable that the project will be a success, considering its commercial and technological feasibility, and costs can be measured reliably Only direct costs are capitalised which include the design engineering employee costs Development costs previously recognised as an expense are not recognised as an asset in a subsequent period Development costs that have a finite useful life that have been capitalised are amortised from the commencement of the commercial production of the product on a straight-line basis over the period of its expected benefit, not exceeding ten years

Computer software
Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring to use the specific software These costs are amortised using the straight-line method over their estimated useful lives of three to five years

Impairment of fixed tangible assets and intangible assets
Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount The recoverable amount is the higher of an asset's fair value less costs to sell and value in use For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units) Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date

2 Summary of significant accounting policies (continued)

Inventories and work in progress
Inventories are stated at the lower of cost and net realisable value Cost is determined using the first in, first out (FIFO) method The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) It excludes borrowing costs Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses Work in progress is valued at cost, less the cost of work invoiced on incomplete contracts and less foreseeable losses

Trade receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate The amount of the provision is recognised in the income statement

Trade payables
Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method

Employee benefits
The Group operates a defined contribution plan for which the Group pays contributions to privately administered pension insurance plans on a mandatory, contractual or voluntary basis The Group has no further payment obligations once the contributions have been paid The contributions are recognised as employee benefit expense when they are due Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available

Government grants
Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with the attached conditions Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income statement on a straight line basis over the expected lives of the related assets

Share capital and share premium
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Current and deferred income tax
Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised

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2 Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts Bank overdrafts are shown within borrowings in current liabilities on the balance sheet

Critical judgements in applying the entity's accounting policies

The Group makes judgements on specific items when applying its' accounting policies The judgement that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below

Development expenditure

The Group invests in the development of future products in accordance with the accounting policy stated in the Intangible assets note The assessment as to whether this expenditure will achieve a complete product for which the technical feasibility is assured is a matter of judgement, as is the forecasting of how the product will generate future economic benefit Finally, the period of time over which the economic benefit associated with the expenditure incurred will arise is also a matter of judgement These judgements are made by evaluating the development plan prepared by the research and development department and approved by management, regularly monitoring progress by using an established set of criteria for assessing technical feasibility and benchmarking to other products

ABSL Power Solutions Ltd

3 Financial risk management

Financial risk factors
The Group's activities expose it to a variety of financial risks market risk (primarily currency risk), credit risk and liquidity risk The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance

(a) Market risk

(i) Foreign exchange risk
Management consider that the Group is not significantly exposed to foreign exchange risk arising from various currency exposures as the Group operates predominantly in the UK with a small proportion of transactions denominated in Euros, US Dollars and Japanese Yen During the year, transactions in currencies other the GBP amounted to approximately £3m If the currencies above had weakened/strengthened by 10% against the GBP with all other variables held constant, the post-tax loss for the year would have been approximately £0 3m higher/lower

(ii) Cash flow and fair value interest rate risk
The Group has interest bearing liabilities Interest bearing liabilities include bank borrowings which were £0 5m as at 31 March 2010 These borrowings currently bear interest at a rate of 2 5% over base rate and are part of the portfolio funding arrangement with HSBC, as discussed in the Directors' report

As such, management consider that the Group is not significantly exposed to foreign exchange, cash flow and fair value interest rate risk.

(b) Credit risk
Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions For banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted If customers are independently rated, these ratings are used Otherwise, if there is no independent rating, the credit quality of the customer is assessed taking into account its financial position, past experience and other factors Individual risk limits are set based on internal or external ratings in accordance with limits set by management Management monitors the utilisation of credit limits regularly

(c) Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet its cash commitments as they fall due Liquidity risk may result from either the inability to realise financial assets quickly at their fair values or from the inability to generate cash inflows as anticipated Management monitors rolling forecasts of the group's liquidity reserve and cash and cash equivalents on the basis of expected cash flow

Capital risk management
The Group's and Company's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders The Group and Company have focused on maximising shareholder value

1. Segmental reporting

At 31 March 2010, the Company is organised on a worldwide basis into four main geographical segments The revenue analysis in the table below is based on the location of the customers where the order is received

- United Kingdom
- Europe
- North America
- Rest of the World

The assets and liabilities are located in the United Kingdom and North America

Primary reporting format – geographical segments

	United Kingdom	Europe	North America	Rest of the World	Unallocated	2010 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	7,531	4,418	3,064	1,201	-	16,214
Segment result operating (loss) / profit	(78)	523	267	11	-	723
Finance costs – net	-	-	-	-	(191)	(191)
(Loss) / profit before taxation	(78)	523	267	11	(191)	532

	United Kingdom	Europe	North America	Rest of the World	Unallocated	2009 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	10,187	2,764	4,081	1,058	-	18,090
Segment result operating (loss) / profit	(1,467)	553	190	196	-	(528)
Finance costs – net	-	-	-	-	(458)	(458)
(Loss) / profit before taxation	(1,467)	553	190	196	(458)	(986)

ABSL Power Solutions Ltd

Notes to the financial statements for the year ended 31 March 2010 (continued)

1. Segmental reporting (continued)

Secondary reporting format – business segments

At 31 March 2010, the Group is organised into three main business segments

1) Power Solutions,
2) Custom Products, and
3) AGM

	Power Solutions	Custom Products	AGM	Unallocated	2010 Total
	£'000	£'000	£'000	£'000	£'000
Total segment revenue	8,703	6,968	1,067	-	16,738
Inter-company segment revenue	-	-	(524)	-	(524)
External segment revenue	**8,703**	**6,968**	**543**	-	**16,214**
Segment result operating profit / (loss)	1,014	892	(511)	(672)	723
Finance costs - net	-	-	-	(191)	(191)
Profit/(loss) before and after taxation for the year	**1,014**	**892**	**(511)**	**(863)**	**532**

Unallocated loss relates to exceptional central costs

	Power Solutions	Custom Products	AGM	Unallocated	2009 Total
	£'000	£'000	£'000	£'000	£'000
Total segment revenue	12,491	5,298	1,574	-	**19,363**
Inter-company segment revenue	-	-	(1,273)	-	**(1,273)**
External segment revenue	**12,491**	**5,298**	**301**	-	**18,090**
Segment result operating profit / (loss)	1,705	755	(1,370)	(1,618)	**(528)**
Finance costs - net	-	-	-	(458)	**(458)**
Profit/(loss) before and after taxation for the year	1,705	755	(1,370)	(2,076)	(986)

Unallocated loss relates to exceptional central costs of £1,618k relating to an onerous lease

ABSL Power Solutions Ltd

Notes to the financial statements for the year ended 31 March 2010 (continued)

2. Profit / (loss) before income tax

The following is the disclosure of expenses by nature

	Notes	Group 2010 £'000	2009 £'000
Employee benefit expense	21	**5,713**	5,632
Depreciation of property, plant and equipment	8	**323**	494
Amortisation of intangibles	7	**44**	1,059
Costs of inventories included in cost of sales		**5,188**	6,564
Transportation		**92**	106
Advertising costs		**12**	16
Occupancy costs		**933**	1,084
Other expenses		**3,187**	3,996
Total cost of sales, selling and distribution costs, research and development expense and administrative expenses		**15,492**	18,951

Services provided by the Group's auditors and network of firms

During the period the Group obtained the following services from the Group's auditors at costs as detailed below

	2010 £'000	2009 £'000
Audit services		
- statutory audit	**38**	49
Total	**38**	49

The Group's auditors, PricewaterhouseCoopers LLP, provide no non-audit services for the Group

Notes to the financial statements for the year ended 31 March 2010 (continued)

3. Exceptional administrative expenses

	Group	
	2010	2009
	£'000	£'000
Onerous lease provision	112	(1,618)
Divestment related	(478)	-
Restructuring	(301)	-
Fixed asset impairment	-	(810)
Site closure costs	-	(450)
Settlement of outstanding claims	-	1,067
	(667)	(1,811)

4. Other operating income

	Group	
	2010	2009
	£'000	£'000
Amortisation of Capital Grant	2	256

5. Finance costs

	Group	
	2010	2009
	£'000	£'000
Interest expense on bank borrowings	140	458
Interest expense on inter-company loan	51	-
	191	458

ABSL Power Solutions Ltd

Notes to the financial statements for the year ended 31 March 2010 (continued)

6. Income tax

The taxation for the year differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated companies as explained below

	Group	
	2010	2009
	£'000	£'000
Profit / (loss) before taxation	532	(986)
Tax calculated at domestic tax rates applicable to profits in the respective countries	160	(276)
Effects of		
Expenses not deductible for tax purposes	79	215
Deferred tax asset not recognised	139	435
Losses set against profits of the trade	(378)	(374)
Total taxation	-	-

The weighted average applicable tax rate was 30% (2009 28%)

Cumulative unrecognised tax asset £7,562k (2009 £8,076k) in respect of losses carried forward against future profits arising from the same trade

A disclosure error was made in last year's accounts in relation to the unrecognised tax asset carried forward, only the Company's being disclosed The comparative figures have been restated to show the Group position There is no other impact on the financial statements

ABSL Power Solutions Ltd

Notes to the financial statements for the year ended 31 March 2010 (continued)

7. Intangible assets

Group and Company	Software £'000	Development assets £'000	Total £'000
Cost			
At 1 April 2009	37	1,319	1,356
Additions	-	227	227
At 31 March 2010	37	1,546	1,583
Accumulated amortisation and impairment			
At 1 April 2009	24	1,278	1,302
Charge for the year	5	39	44
At 31 March 2010	29	1,317	1,346
Net book amount at 31 March 2010	**8**	**229**	**237**
Net book amount at 31 March 2009	13	41	54

The useful economic life for development costs is considered by the directors to be five years, except where it is known that likely future economic benefits from these development costs are less than five years In such cases, the useful economic life is considered to be the period over which future economic benefits are anticipated to be recognised

ABSL Power Solutions Ltd

Notes to the financial statements for the year ended 31 March 2010 (continued)

8. Property, plant and equipment

Group	Plant machinery & equipment £'000
Aggregate cost	
At 1 April 2009 (as restated)	10,955
Additions at cost	114
Disposals at cost	(1,224)
Exchange differences	(8)
At 31 March 2010	9,837
Accumulated depreciation	
At 1 April 2009 (as restated)	9,982
Charge for the year	323
On disposals	(1,215)
Exchange differences	(1)
At 31 March 2010	9,091
Net book amount at 31 March 2010	**746**
Net book amount at 31 March 2009	973

A disclosure error was made in last year's accounts in relation to Aggregate Cost and Accumulated Depreciation of the fixed assets of the group's subsidiary undertaking AGM Batteries The comparative figures have been restated There is no other impact on the financial statements

ABSL Power Solutions Ltd

Notes to the financial statements for the year ended 31 March 2010 (continued)

8. Property, plant and equipment (continued)

Company	Plant machinery & equipment £'000
Aggregate cost	
At 1 April 2009	3,285
Additions at cost	41
Transfer to subsidiary	(31)
Disposals at cost	(750)
At 31 March 2010	**2,545**
Accumulated depreciation	
At 1 April 2009	2,410
Charge for the year	292
On disposals	(741)
At 31 March 2010	**1,961**
Net book amount at 31 March 2010	**584**
Net book amount at 31 March 2009	845

ABSL Power Solutions Ltd

Notes to the financial statements for the year ended 31 March 2010 (continued)

9. Inventories

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Raw materials and consumables	1,926	2,546	1,626	2,075
Work-in-progress	26	173	26	173
Finished goods and goods for resale	77	69	41	22
Total	2,029	2,788	1,693	2,270

10. Trade and other receivables

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Trade receivables	3,495	3,096	3,034	2,520
Other receivables	717	563	3,083	2,750
Prepayments	387	249	282	126
Total	4,599	3,908	6,399	5,396

Concentrations of credit risk with respect to trade receivables are limited due to the Group's customer base being largely 'Blue Chip' organisations Due to this, management believe there is no further credit risk provision required in excess of normal provision for doubtful receivables

There were no non-current receivables due to the Company from ABSL Power Solutions Inc at March 31, 2010 (2009 £60k)

Notes to the financial statements for the year ended 31 March 2010 (continued)

11. Trade and other payables - current

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Trade payables	927	1,323	835	1,106
Social security and other taxes	148	220	148	220
Accruals	1,370	2,646	868	2,082
Deferred income	2,052	782	1,611	303
Other creditors	234	24	234	5
Total	4,731	4,995	3,696	3,716

12. Non-current liabilities

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Capital grant	1	3	1	3

Amounts credited to the income statement are disclosed in note 4.

13. Provision for liabilities

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
At 1 April 2009	1,618	206	1,618	206
Provision charged in the year	(112)	1,618	(112)	1,618
Utilised in the year	(218)	(206)	(218)	(206)
At 31 March 2010	1,288	1,618	1,288	1,618

The provision is for an onerous building lease and will be utilised over the next 8 years The adequacy of the provision was assessed and adjusted for at 31 March 2010

14. Financial liabilities – borrowings

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Bank overdraft due within one year on demand	**494**	9,979	**494**	10,264

As discussed on page 4 in the Directors' report the bank overdraft is part of the portfolio funding arrangement with HSBC.

15. Financial liabilities – borrowings due after 1 year

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Loan from parent company	**1,200**	-	**1,200**	-

The loan provided by CIPI bears an interest rate of 5% above LIBOR and is repayable on 26th May 2014.

16. Financial Instruments

Fair value of non-current borrowings

Fair value is the amount at which a financial instrument could be exchanged in an arms length transaction between informed and willing parties, other than a forced or liquidation sale and excludes accrued interest

There are no differences between the book and fair value of financial assets and liabilities

Notes to the financial statements for the year ended 31 March 2010 (continued)

17. Called up share capital

Group and company	2010 Number	2009 Number	2010 £'000	2009 £'000
Issued and fully paid				
12,296,280 ordinary shares of £1 each	12,296,280	2,796,280	12,296	2,796

Each holder of an ordinary share is entitled to one vote for each share held at all meetings of shareholders and will be entitled to any dividends declared by the Board of Directors

On 28th September 2009 9,500,000 £1 ordinary shares were issued

18. Share premium account

	Share premium £'000
At 1 April 2009 and 31 March 2010	54

19. Accumulated loss

Group	Accumulated loss £'000
At 1 April 2009	(12,561)
Profit for the year to 31 March 2010	532
As at 31 March 2010	(12,029)

20. Capital contribution

Group	Capital contribution £'000
At 1 April 2009 and 31 March 2010	1,156

Notes to the financial statements for the year ended 31 March 2010 (continued)

21. Cash flow generated from operations

Reconciliation of operating profit to net cash inflow from operating activities

	Notes	Group 2010 £'000	Group 2009 £'000	Company 2010 £'000	Company 2009 £'000
Continuing operations					
Profit /(loss) before interest and income tax		723	(528)	1,057	1,200
Adjustments for					
Depreciation	8	323	494	292	334
Amortisation	7	44	1,059	44	1,059
Loss on disposal of property, plant and equipment		9	29	9	29
Impairment of subsidiary undertaking's fixed assets		8	810	-	-
Revaluation of subsidiaries assets		78	(317)	-	-
Inter-company loan repayment		-	-	60	443
Changes in working capital					
Inventories		759	(470)	577	(277)
Trade and other receivables		(691)	(943)	(1,003)	(2,411)
Trade and other payables		(1,534)	(424)	(1,327)	(424)
Deferred income		1,270	563	1,306	301
Provision		(330)	1,412	(330)	1,412
Cash generated from continuing operations		659	1,685	685	1,666

Notes to the financial statements for the year ended 31 March 2010 (continued)

22. Employees and directors

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Staff costs for the Group during the year				
Wages and salaries	5,168	4,800	3,623	3,749
Social security costs	384	639	338	420
Other pension costs (note 23)	161	193	140	175
Total salary costs	5,713	5,632	4,101	4,344

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Average monthly number of people (including executive directors) employed				
By business group				
Production	104	108	76	84
Sales and distribution	13	13	10	11
General and administration	20	29	15	22
Total	137	150	101	117

The aggregate remuneration paid to Directors was as follows

	2010	2009
	£'000	£'000
Executive Directors		
Base salary	142	421
Compensation for loss of office	169	-
Pensions	25	29
Total	336	450
Number of Directors	3	3

The three executives who were directors during the year (2009 3) were members of ABSL's group personal pension scheme. The scheme is a funded scheme of the defined contribution type.

Notes to the financial statements for the year ended 31 March 2010 (continued)

22. Employees and directors (continued)

	2010	2009
	£'000	£'000
Highest paid director		
Base salary	33	213
Compensation for loss of office	169	-
Pension	15	12

23. Pension costs

The Group has established a pension scheme covering many of its employees The scheme is a funded scheme of the defined contribution type

Pension costs for the defined contributions scheme are as follows

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Defined contribution schemes	161	193	140	175

24. Operating lease commitments - minimum lease payments

At 31 March 2010 the Group has lease agreements in respect of properties, vehicles, plant and equipment, for which the payments extend over a number of years

	2010	2009
	£'000	£'000
Annual Commitments under non-cancellable operating leases expiring:		
Within one year	5	25
Later than one year and less than five years	246	238
After five years	365	80
Total	616	343

Notes to the financial statements for the year ended 31 March 2010 (continued)

25. Capital commitments and contingent liabilities

At 31 March 2010 AGM Batteries Limited had committed to capital expenditure of £176,046 in relation to the new cell assembly production line The Group had no contingent liabilities at 31 March 2010.

26. Consolidated Group companies

	Country of Incorporation	Share holding		Nature of business
AGM Batteries Limited	UK	100%	4,064,000 ordinary share of £1 each	Designs and manufactures lithium Ion cells
ABSL Power Solutions Inc	US	100%	100 share of Common stock of $0 01 each	Designs and manufactures batteries for space applications

27 Related party transactions

CIPI manages the portfolio funding arrangement and insurance coverage, during the year CIPI recharged the group £896,000 (2009 £763,575) in this regard The outstanding balance owed to CIPI at 31 March 2010 was £142,000 (2009 £nil)

During the year CIPI made available a loan facility of £1,800,000 at 31 March 2010, of which £1,200,000 had been drawn down

During the year Newbridge Partners (UK) Ltd provided Interim managers to the group amounting to £419,000 (2009 £nil) The outstanding balance owed to Newbridge Partners (UK) Ltd at 31 March 2010 was £nil (2009 £nil)

In financial year 2010 Coller IP Management Ltd provided £15,000 (2009, £19,000) intellectual property related services to the Group The outstanding balance owed to Coller IP Management Ltd at 31 March 2010 was £500 (2009 £nil).

A former director was paid compensation for loss of office during the year, details of which can be seen in the directors' emolument note 22

28. Controlling party and ultimate parent company

CIP Industries L P Incorporated is considered to be the ultimate parent company