

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005
FOR
OMEGRON LIMITED**

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OMEGRON LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2005**

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OMEGRON LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2005

DIRECTORS

MR Green
PA Hutchinson
TJ Underdown

SECRETARY:

px Appointments Limited

REGISTERED OFFICE:

px House
Merchants' Wharf
Westpoint Road
Stockton on Tees
TS17 6BF

REGISTERED NUMBER.

3248681 (England and Wales)

AUDITORS:

C P Waites
Chartered Accountants
Registered Auditors
24 St Cuthberts Way
Darlington
Co Durham
DL1 1GB

OMEGRON LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2005

The directors present their report with the financial statements of the company for the year ended 31 December 2005

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of an investment company

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements

DIRECTORS

Harrier No 1 Limited - resigned 20 September 2005

Kestrel No1 Limited - resigned 20 September 2005

J & A Trading Limited - appointed 10 October 2005

MR Green , PA Hutchinson and TJ Underdown were appointed as directors after 31 December 2005 but prior to the date of this report

J & A Trading Limited ceased to be a director after 31 December 2005 but prior to the date of this report

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, C P Waites, will be proposed for re-appointment in accordance with Section 385A of the Companies Act 1985

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

ON BEHALF OF THE BOARD:



PA Hutchinson - Director

20 July 2007

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF OMEGRON LIMITED

We have audited the financial statements of Omegron Limited for the year ended 31 December 2005 on pages four to nine. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page two, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors 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 other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

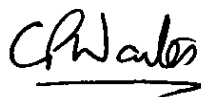
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended, and
- have been properly prepared in accordance with the Companies Act 1985.



C P Waites
Chartered Accountants
Registered Auditors
24 St Cuthberts Way
Darlington
Co Durham
DL1 1GB

20 July 2007

OMEGRON LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	2005 £	2004 £
TURNOVER		-	-
Administrative expenses		<u>15,583</u>	<u>11,159</u>
OPERATING LOSS	2	(15,583)	(11,159)
Income from shares in group undertakings		2,119,664	937,980
Income from fixed asset investments		1,145	1,148
Interest receivable and similar income		<u>12,925</u>	<u>75</u>
		<u>2,133,734</u>	<u>939,203</u>
		2,118,151	928,044
Amounts written off investments	3	<u>1,155,556</u>	<u>1,155,556</u>
		962,595	(227,512)
Interest payable and similar charges		<u>411,511</u>	<u>437,887</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		551,084	(665,399)
Tax on profit/(loss) on ordinary activities	4	<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		<u>551,084</u>	<u>(665,399)</u>

The notes form part of these financial statements

OMEGRON LIMITED

**BALANCE SHEET
31 DECEMBER 2005**

	Notes	2005 £	2004 £
FIXED ASSETS			
Investments	5	2,614,996	3,770,552
CURRENT ASSETS			
Debtors	6	7,932	1,631
Cash at bank		<u>2,111,174</u>	<u>3,227</u>
		2,119,106	4,858
CREDITORS			
Amounts falling due within one year	7	<u>6,433,542</u>	<u>6,025,934</u>
NET CURRENT LIABILITIES		<u>(4,314,436)</u>	<u>(6,021,076)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(1,699,440)</u>	<u>(2,250,524)</u>
CAPITAL AND RESERVES			
Called up share capital	8	101	101
Share premium	9	390,000	390,000
Profit and loss account	9	<u>(2,089,541)</u>	<u>(2,640,625)</u>
SHAREHOLDERS' FUNDS		<u>(1,699,440)</u>	<u>(2,250,524)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The financial statements were approved by the Board of Directors on 20 July 2007 and were signed on its behalf by



PA Hutchinson - Director

OMEGRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Investments

Income from investments relates to dividends received and receivable. The carrying value of investments are stated at cost less provision for any impairment in value

2 OPERATING LOSS

The operating loss is stated after charging

	2005	2004
	£	£
Auditors' remuneration	<u>4,407</u>	<u>2,637</u>
Directors' emoluments and other benefits etc	<u>-</u>	<u>-</u>

Until 20 September 2005, the directors of the company were provided under a Corporate Service Agreement with Indigo Trading Company Limited. On 10 October 2005 J & A Trading Limited was appointed as a corporate director under a new Corporate Services Agreement.

Fees charged in respect of these agreements are shown in note 10 to these accounts.

The company did not have any employees during the year (2004 - none)

3 AMOUNTS WRITTEN OFF INVESTMENTS

	2005	2004
	£	£
Provision against investments in associated undertakings	<u>1,155,556</u>	<u>1,155,556</u>

4 TAXATION

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2005 nor for the year ended 31 December 2004.

OMEGRON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2005**

5 FIXED ASSET INVESTMENTS

	Interest in associated undertaking £	Listed investments £	Totals £
COST			
At 1 January 2005 and 31 December 2005	<u>13,000,000</u>	<u>14,998</u>	<u>13,014,998</u>
PROVISIONS			
At 1 January 2005	9,244,446	-	9,244,446
Provision for year	<u>1,155,556</u>	<u>-</u>	<u>1,155,556</u>
At 31 December 2005	<u>10,400,002</u>	<u>-</u>	<u>10,400,002</u>
NET BOOK VALUE			
At 31 December 2005	<u>2,599,998</u>	<u>14,998</u>	<u>2,614,996</u>
At 31 December 2004	<u>3,755,554</u>	<u>14,998</u>	<u>3,770,552</u>

The company's investments at the balance sheet date in the share capital of associated undertakings comprise the following

Power Operations Teesside Limited

Country of incorporation England and Wales

Nature of business Provision of operation and management services within the power industry

	%		
Class of shares	holding		
Ordinary	49 00	31 3 06	31 3 05
		£	£
Aggregate capital and reserves		4,129,098	8,297,413
Loss for the year		<u>(899,091)</u>	<u>(1,110,546)</u>

6 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005	2004
	£	£
Taxation recoverable	689	459
Called up share capital not paid	101	101
Prepayments and accrued income	<u>7,142</u>	<u>1,071</u>
	<u>7,932</u>	<u>1,631</u>

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005	2004
	£	£
Bank loans and overdrafts	-	5,919,838
Loan from px Holdings Limited	6,342,327	-
Other creditors	8,834	17,073
Accruals and deferred income	<u>82,381</u>	<u>89,023</u>
	<u>6,433,542</u>	<u>6,025,934</u>

OMEGRON LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2005

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

The loan from px Holdings Limited (see note 10) which during the year was transferred from a bank was due to be repaid in quarterly instalments from 25 January 1998 to 25 January 2008. The company stopped making these regular repayments after 25 October 2001 due to the lack of funds, but has subsequently made several partial repayments of amounts due. The company has still not repaid as much as it is committed to under the loan agreement, and consequently is in default of its loan agreement. As a result of the default, the entire loan is technically repayable on demand and it has all therefore been included as a creditor due within one year.

px Holdings Limited has however confirmed that they will not take any action under the loan agreement in respect of the default, other than to charge default interest.

The loan is secured by fixed and floating charges over the company and all property and assets present and future including goodwill, book debts, uncalled capital, building fixtures, and fixed plant and machinery.

8 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	2005 £	2004 £
100	Ordinary	£1	100	100
1	Preference	£1	<u>1</u>	<u>1</u>
			<u>101</u>	<u>101</u>

Allotted and issued Number	Class	Nominal value	2005 £	2004 £
100	Ordinary	£1	100	100
1	Preference	£1	<u>1</u>	<u>1</u>
			<u>101</u>	<u>101</u>

The holder of the preference share is not entitled to be paid any dividend or other distribution out of the profits of the company. The holder has the right to receive notice of, attend, speak and vote at a general meeting of the company only if a resolution is to be proposed abrogating, varying or modifying any of the rights or privileges of the holder of the preference share, or for sanctioning the sale of the undertaking of the company, in either of which cases, the holder shall only be entitled to vote on such a resolution.

On return of capital on winding up (other than on conversion, redemption or purchase of shares), or otherwise, the holder of the preference share is entitled in aggregate in priority to any payment to the holders of any other class of shares to all assets of the company other than the shares in Power Operations Teesside Limited owned by the company.

9 RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 January 2005	(2,640,625)	390,000	(2,250,625)
Profit for the year	<u>551,084</u>		<u>551,084</u>
At 31 December 2005	<u>(2,089,541)</u>	<u>390,000</u>	<u>(1,699,541)</u>

OMEGRON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2005**

10 RELATED PARTY DISCLOSURES

Osprey No 1 Limited, a 100% owned subsidiary of Indigo Trading Company Limited, held 100% of the ordinary shares of the company until 20 September 2005

Indigo Trading Company Limited were paid fees of £8,910 (2004 - £8,226) during the year in respect of a Corporate Services Agreement

These ordinary shares were transferred to J & A Trading Limited on 20 September 2005, who took over the provision of management services to the company. The charge for these management services from 20 September 2005 was £2,203 (2004 - £Nil)

On 20 July 2006, px Equity Investments Limited acquired the entire issued ordinary shares of Omegron Limited. px Equity Investments Limited is a wholly owned subsidiary of px Holdings Limited.

11 CONTROLLING PARTY

Until 20 September 2005, the ordinary share capital of the company was held by Osprey No1 Limited. From 20 September 2005, the ordinary share capital of the company was held by J & A Trading Limited. The shares were held subject to a declaration of trust, ultimately for the benefit of various charitable and discretionary beneficiaries.