

Company Registration No. 887600

TRIDONIC LIMITED

Report and Financial Statements

30 April 2003



**Deloitte & Touche LLP
London**

TRIDONIC LIMITED

REPORT AND FINANCIAL STATEMENTS 2003

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TRIDONIC LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 April 2003.

PRINCIPAL ACTIVITIES

The principal activity during the year was the manufacture and supply of components for light fittings.

BUSINESS REVIEW

The results for the year reflect a number of variables including market price erosion, exchange rate fluctuation and the profit arising from the sale of Thomas House. The increase in turnover emanates from both the intra-group activities and emergency inverter sales.

RESULTS AND DIVIDENDS

The company's profit for the year after taxation amounted to £2,210,865 (2002: £7,114). The directors do not recommend the payment of a dividend (2002: £nil).

DIRECTORS AND THEIR INTERESTS

The directors who served throughout the year (except as noted) were as follows:

D G Hawes
P G Kleinitzer
W A Ziegler

None of the directors have any interests in the share capital of the company or any other UK group company.

AUDITORS

On 1 August 2003, Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. A resolution to re-appoint Deloitte & Touche LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



NFJ Dew
Secretary

30th October 2003

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year 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;
- state whether applicable accounting standards have been followed; and
- 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 the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRIDONIC LIMITED

We have audited the financial statements of Tridonic Limited for the year ended 30 April 2003 which comprise the profit and loss account, the balance sheet and the related notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

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 in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 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 with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 the company's affairs as at 30 April 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London

30 October 2003

TRIDONIC LIMITED

PROFIT AND LOSS ACCOUNT Year ended 30 April 2003

| | Note | 2003 £ | 2002 £ |
|---|------|------------------|------------------|
| TURNOVER | 2 | 42,538,007 | 38,714,118 |
| Cost of sales | | (39,100,682) | (35,694,738) |
| Gross profit | | <u>3,437,325</u> | <u>3,019,380</u> |
| Distribution costs | | (704,555) | (752,284) |
| Administrative expenses | | (2,395,206) | (2,351,185) |
| Other operating income | | <u>308,160</u> | <u>292,770</u> |
| OPERATING PROFIT | | <u>645,724</u> | <u>208,681</u> |
| Profit on disposal of fixed assets | | 2,262,457 | - |
| Interest receivable and similar income | 5 | 28,896 | 10,011 |
| Interest payable and similar charges | 6 | <u>(169,060)</u> | <u>(174,613)</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | 7 | 2,768,017 | 44,079 |
| Tax on profit on ordinary activities | 8 | <u>(557,152)</u> | <u>(36,965)</u> |
| RETAINED PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR | 15 | <u>2,210,865</u> | <u>7,114</u> |
| Retained profit brought forward | | <u>1,646,926</u> | <u>1,639,812</u> |
| Retained profit carried forward | | <u>3,857,791</u> | <u>1,646,926</u> |

All amounts relate to continuing activities.

There are no recognised gains or losses in either year other than the reported profit for that year. Accordingly, no separate statement of total recognised gains and losses is presented.

TRIDONIC LIMITED

BALANCE SHEET

30 April 2003

| | Note | 2003 £ | 2002 £ |
|--|------|-------------------|-------------------|
| FIXED ASSETS | | | |
| Intangible assets | 9 | 591,571 | 788,761 |
| Tangible assets | 10 | 1,608,969 | 3,669,993 |
| | | <u>2,200,540</u> | <u>4,458,754</u> |
| CURRENT ASSETS | | | |
| Stocks | 11 | 6,260,666 | 7,330,434 |
| Debtors | 12 | 10,357,997 | 7,211,554 |
| Cash at bank and in hand | | 3,713,792 | 1,420,843 |
| | | <u>20,332,455</u> | <u>15,962,831</u> |
| CREDITORS: amounts falling due within one year | 13 | (9,855,586) | (9,937,342) |
| NET CURRENT ASSETS | | <u>10,476,869</u> | <u>6,025,489</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 12,677,409 | 10,484,243 |
| CREDITORS: amounts falling due after more than one year | 13 | (30,618) | (48,317) |
| NET ASSETS | | <u>12,646,791</u> | <u>10,435,926</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 14 | 8,789,000 | 8,789,000 |
| Profit and loss account | 15 | 3,857,791 | 1,646,926 |
| TOTAL EQUITY SHAREHOLDERS' FUNDS | 16 | <u>12,646,791</u> | <u>10,435,926</u> |

These financial statements were approved by the Board of Directors on 30th October 2003.

Signed on behalf of the Board of Directors



D G Hawes
Director

NOTES TO THE ACCOUNTS

Year ended 30 April 2003

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption from the requirement of FRS 1 (Revised) to present a cash flow statement because it is a wholly owned subsidiary of Zumtobel AG which prepares consolidated accounts including a cashflow which are publicly available.

Intangible assets - Goodwill

Goodwill arising on the acquisition of businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is estimated to be five years. Provision is made for any impairment.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation. Depreciation is provided over the expected useful lives on a straight line basis at the following annual rates:

| | |
|-----------------------|-------------|
| Computer equipment | - 25% - 50% |
| Motor vehicles | - 25% |
| Plant and machinery | - 10% - 20% |
| Fixtures and fittings | - 15% |
| Freehold buildings | - 2% |

Freehold land is not depreciated.

Stock

Stock is stated at the lower of cost and net realisable value after making appropriate allowances for any obsolete or slow-moving items. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Foreign currency translations

Transactions in foreign currencies are translated at the rate of exchange ruling at the 1st of each month. Monetary assets and liabilities in foreign currency are translated at the rate of exchange ruling at the 30 April 2003. Gains and losses arising on foreign currency translation are dealt with in the profit and loss account.

TRIDONIC LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 April 2003

Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Operating lease rentals are charged to the profit and loss account in the period to which they relate.

Turnover

Turnover comprises the value of invoiced sales (excluding Value Added Tax) for products and services provided in the normal course of business.

Pension costs

The company participates in the Thorn Lighting Pension Fund operated by Thorn Lighting Limited a fellow group company. The scheme is a group defined benefit scheme and it is not possible to estimate the pension obligation for which a particular group company is responsible. Full details of the pension scheme can be found in the accounts of Thorn Lighting Limited. The pension fund contribution payments are charged to the profit and loss account as they are incurred.

The company also contributes to defined contribution pension plans for certain employees. These pension fund payments are charged to the profit and loss account as they are incurred. Differences between contributions payable in the year and contributions actually paid are shown either in accruals or prepayments in the balance sheet.

2. TURNOVER

The turnover arose from a single class of business carried out within the United Kingdom.

3. STAFF COSTS

| | 2003 £ | 2002 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 4,194,665 | 4,273,556 |
| Social security costs | 283,606 | 319,665 |
| Pension costs | 331,624 | 340,424 |
| | <u>4,809,895</u> | <u>4,933,645</u> |

The average number of employees during the year was as follows:

| | 2003 Number | 2002 Number |
|--------------------------|----------------|----------------|
| Warehouse | 9 | 10 |
| Selling | 7 | 7 |
| Production | 137 | 169 |
| Development | 17 | 15 |
| Administration/technical | 18 | 22 |
| Finance | 6 | 5 |
| | <u>194</u> | <u>228</u> |

TRIDONIC LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 April 2003

4. DIRECTORS' REMUNERATION

| | 2003 £ | 2002 £ |
|-----------------------|----------------|----------------|
| Emoluments | 140,096 | 140,297 |
| Pension contributions | 11,972 | 11,571 |
| | <u>152,068</u> | <u>151,868</u> |

Retirement benefits are accruing to one director (2002: one) under a personal money purchase scheme.

5. INTEREST RECEIVABLE

| | 2003 £ | 2002 £ |
|--------------------------|---------------|---------------|
| Bank interest receivable | <u>28,896</u> | <u>10,011</u> |

6. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2003 £ | 2002 £ |
|--|----------------|----------------|
| On bank loans and overdrafts | 164,740 | 170,293 |
| Finance leases and hire purchase contracts | 4,320 | 4,320 |
| | <u>169,060</u> | <u>174,613</u> |

7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging/(crediting):

| | 2003 £ | 2002 £ |
|---|-----------------|----------------|
| Auditors' remuneration | | |
| - audit fees | 15,889 | 17,696 |
| Amortisation of goodwill | 197,190 | 197,190 |
| Depreciation of tangible fixed assets | | |
| - owned | 642,397 | 759,434 |
| - held under finance leases and hire purchase contracts | 17,699 | 17,699 |
| Operating lease rentals | | |
| - land and buildings | 7,111 | - |
| - equipment | 38,635 | 32,966 |
| Rent receivable | (308,160) | (292,770) |
| Profit on disposal of tangible fixed assets | | |
| - land and buildings | (2,262,457) | - |
| - other | <u>(34,322)</u> | <u>(1,715)</u> |

TRIDONIC LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 April 2003

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

| | 2003 £ | 2002 £ |
|--|-----------|-----------|
| Current tax | | |
| Group relief payable | 748,081 | 104,229 |
| Adjustments in respect of prior years | | |
| - UK corporation tax | (48,511) | (51,532) |
| Total current tax | 699,570 | 52,697 |
| Deferred tax | | |
| - Origination and reversal of timing differences | (66,460) | (15,732) |
| - Adjustments in respect of prior years | (75,958) | - |
| Total tax on profit on ordinary activities | 557,152 | 36,965 |

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

| | 2003 £ | 2002 £ |
|--|-----------|-----------|
| Reconciliation of tax charge on ordinary activities | | |
| Profit on ordinary activities before tax | 2,768,017 | 44,079 |
| Tax on group profit on ordinary activities at standard UK corporation tax rate of 30% (2002: 30%) | 830,405 | 13,224 |
| Effects of: | | |
| Non taxable profit on sale of property | (165,242) | - |
| Expenses not deductible for tax purposes | 76,334 | 86,855 |
| Capital allowances in excess of depreciation | (15,338) | 18,785 |
| Adjustments in respect of group relief | - | (11,580) |
| Other timing differences | 21,922 | (3,055) |
| Adjustments to tax charge in respect of prior years | (48,511) | (51,532) |
| Current tax charge for year | 699,570 | 52,697 |

Deferred tax

There is a deferred tax asset at the year-end of £180,124, comprising £145,318 in relation to accelerated capital allowances and £34,806 in respect of other short term timing differences. This asset has increased by £142,418 from £37,706 at 30 April 2002. This asset has been recognised at the year-end on the basis that there is sufficient evidence of taxable profits arising in the future.

TRIDONIC LIMITED

NOTES TO THE ACCOUNTS Year ended 30 April 2003

9. INTANGIBLE FIXED ASSETS - GOODWILL

| | £ |
|-----------------------|----------------|
| Cost | |
| At 1 May 2002 | 985,951 |
| At 30 April 2003 | <u>985,951</u> |
| Amortisation | |
| At 1 May 2002 | 197,190 |
| Charge for the year | <u>197,190</u> |
| At 30 April 2003 | <u>394,380</u> |
| Net book value | |
| At 30 April 2003 | <u>591,571</u> |
| At 30 April 2002 | <u>788,761</u> |

The goodwill relates to the acquisition of the business of the UK Atlas division of Thorn Lighting Limited (a fellow group company) in April 2001.

10. TANGIBLE FIXED ASSETS

| | Freehold land and buildings £ | Plant and machinery £ | Fixtures and fittings £ | Motor vehicles £ | Computer equipment £ | Total £ |
|-----------------------|--|-----------------------------|-------------------------------|------------------------|----------------------------|------------------|
| Cost | | | | | | |
| At 1 May 2002 | 2,003,738 | 6,149,503 | 113,217 | 159,581 | 137,871 | 8,563,910 |
| Additions | - | 353,221 | - | - | 8,947 | 362,168 |
| Disposals | (2,003,738) | (1,187,187) | - | (127,115) | (2,818) | (3,320,858) |
| At 30 April 2003 | <u>-</u> | <u>5,315,537</u> | <u>113,217</u> | <u>32,466</u> | <u>144,000</u> | <u>5,605,220</u> |
| Depreciation | | | | | | |
| At 1 May 2002 | 216,748 | 4,380,787 | 83,582 | 123,317 | 89,483 | 4,893,917 |
| Charge for the year | 32,510 | 575,475 | 10,391 | 21,370 | 20,350 | 660,096 |
| Disposals | (249,258) | (1,187,187) | - | (118,499) | (2,818) | (1,557,762) |
| At 30 April 2003 | <u>-</u> | <u>3,769,075</u> | <u>93,973</u> | <u>26,188</u> | <u>107,015</u> | <u>3,996,251</u> |
| Net book value | | | | | | |
| At 30 April 2003 | <u>-</u> | <u>1,546,462</u> | <u>19,244</u> | <u>6,278</u> | <u>36,985</u> | <u>1,608,969</u> |
| At 30 April 2002 | <u>1,786,990</u> | <u>1,768,716</u> | <u>29,635</u> | <u>36,264</u> | <u>48,388</u> | <u>3,669,993</u> |

The net book value of plant and machinery held under hire purchase and finance lease contracts is £ 50,152 (2002: £67,851).

Freehold land amounting to £nil (2002: £600,600) is not depreciated.

TRIDONIC LIMITED

NOTES TO THE ACCOUNTS Year ended 30 April 2003

11. STOCKS

| | 2003 £ | 2002 £ |
|--|------------------|------------------|
| Finished goods and stock held for resale | 4,779,540 | 5,604,521 |
| Raw materials | 1,481,126 | 1,725,913 |
| | <u>6,260,666</u> | <u>7,330,434</u> |

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2003 £ | 2002 £ |
|------------------------------------|-------------------|------------------|
| Trade debtors | 6,868,939 | 6,141,613 |
| Amounts owed by group undertakings | 3,010,325 | 883,598 |
| Other debtors | 173,979 | 115,363 |
| Prepayments and accrued income | 124,630 | 33,274 |
| Deferred taxation (see note 19) | 180,124 | 37,706 |
| | <u>10,357,997</u> | <u>7,211,554</u> |

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2003 £ | 2002 £ |
|------------------------------------|------------------|------------------|
| Bank loans and overdraft | - | 3,236,618 |
| Obligations under finance leases | 17,700 | 17,700 |
| Trade creditors | 1,822,726 | 2,019,366 |
| Amounts due to group undertakings | 5,719,731 | 3,267,842 |
| Other taxation and social security | 1,881,694 | 1,081,340 |
| Accruals and deferred income | 413,735 | 314,476 |
| | <u>9,855,586</u> | <u>9,937,342</u> |

CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | | |
|----------------------------------|---------------|---------------|
| Obligations under finance leases | <u>30,618</u> | <u>48,317</u> |
|----------------------------------|---------------|---------------|

FINANCE LEASES

Finance leases are secured on the related assets. Amounts are repayable as follows:

| | 2003 £ | 2002 £ |
|----------------------------|---------------|---------------|
| Less than one year | 17,700 | 17,700 |
| Between one and two years | 17,700 | 17,700 |
| Between two and five years | 12,918 | 30,617 |
| | <u>48,318</u> | <u>66,017</u> |

TRIDONIC LIMITED

NOTES TO THE ACCOUNTS Year ended 30 April 2003

14. CALLED UP SHARE CAPITAL

| | 2003 £ | 2002 £ |
|--|-------------------|-------------------|
| Authorised: | | |
| ordinary shares of £1 each | 1,000,000 | 1,000,000 |
| redeemable deferred ordinary shares of £1 each | 10,000,000 | 10,000,000 |
| | <u>11,000,000</u> | <u>11,000,000</u> |
| Called up, allotted and fully paid | | |
| ordinary shares of £1 each | 954,000 | 954,000 |
| redeemable deferred ordinary shares of £1 each | 7,835,000 | 7,835,000 |
| | <u>8,789,000</u> | <u>8,789,000</u> |

The redeemable ordinary shares rank parri-passu with the ordinary shares in all respects and may be redeemed at par at any time by the company giving three months notice to the shareholder. There is no premium payable on the redemption of the redeemable ordinary shares.

15. PROFIT AND LOSS ACCOUNT

| | 2003 £ | 2002 £ |
|-------------------------------|------------------|------------------|
| At 1 May 2002 | 1,646,926 | 1,639,812 |
| Profit for the financial year | <u>2,210,865</u> | <u>7,114</u> |
| At 30 April 2003 | <u>3,857,791</u> | <u>1,646,926</u> |

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2003 £ | 2002 £ |
|-------------------------------|-------------------|-------------------|
| Profit for the financial year | 2,210,865 | 7,114 |
| Issue of redeemable shares | - | 3,000,000 |
| Opening shareholders' funds | <u>10,435,926</u> | <u>7,428,812</u> |
| Closing shareholders' funds | <u>12,646,791</u> | <u>10,435,926</u> |

17. FINANCIAL COMMITMENTS

| | | |
|---|---------------|---------------|
| Annual commitments under operating leases are as follows: | 2003 £ | 2002 £ |
| Other | | |
| Expiring within one year | 19,484 | - |
| Expiring between two and five years | <u>45,913</u> | <u>31,488</u> |
| Land and buildings | | |
| Expiring over five years | <u>89,500</u> | <u>-</u> |
| Capital commitments are as follows: | | |
| Contracted for but not provided for | <u>77,915</u> | <u>10,214</u> |

TRIDONIC LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 April 2003

18. PENSIONS

The company participates in the Thorn Lighting Pension Fund operated by Thorn Lighting Limited a fellow group company. The scheme is a group defined benefit scheme and it is not possible to estimate the pension obligation for which a particular group company is responsible. Full details of the pension scheme can be found in the accounts of Thorn Lighting Limited.

UK pensions costs are determined with the advice of independent qualified actuaries on the basis of a valuation using the projected unit credit method and the pension charge represents the annual regular cost of providing pension benefits to current employees. The most recent actuarial valuation of the Thorn Lighting Pension Fund was conducted at 31 March 2001 (previous actuarial valuation: 31 March 1998).

The pension cost of the company in respect of employees who were members of the scheme consists of employer's contributions payable as a percentage of pensionable earnings. Contributions for the year ended 30 April 2003 amounted to £ 298,291 (2002: £308,249). In addition the company contributes to defined pension contribution plans for certain employees. Contributions for the year ended 30 April 2003 amounted to £ 33,334 (2002: £32,175).

Additional disclosures regarding the group defined benefit schemes are required under the transitional rules of FRS 17 'Retirement Benefits'. In accordance with FRS 17, the company will account for its contributions to the schemes as if it were a defined contribution scheme because it is not possible to identify the company's share of net assets and liabilities in the scheme on a consistent and reasonable basis. The latest valuation of the scheme prepared for the purposes of making the transitional disclosure in accordance with FRS 17 shows a deficit of £34,800,000.

19. DEFERRED TAXATION ASSET

| | Accelerated capital allowances £ | Other timing differences £ | Total £ |
|--|---|-------------------------------------|----------------|
| 1 May 2002 | 32,406 | 5,300 | 37,706 |
| Transfers to profit and loss accounts in respect of: | | | |
| Adjustments in relation to prior years | 68,374 | 7,854 | 75,958 |
| Origination and reversal of timing differences | 44,538 | 21,922 | 66,460 |
| 30 April 2003 | <u>145,318</u> | <u>34,806</u> | <u>180,124</u> |

The deferred tax asset consists of:

| | 2003 £ | 2002 £ |
|--------------------------------|----------------|---------------|
| Accelerated capital allowances | 145,318 | 32,406 |
| Other timing differences | 34,806 | 5,300 |
| | <u>180,124</u> | <u>37,706</u> |

20. CONTINGENT LIABILITIES

On 23 December 2002, the company acceded to the Composite Guarantee and Debenture of Wengen Acquisition Limited, whereby the assets of the company are charged to a consortium of banks led by Creditanstalt AG as additional security for the borrowing of the Zumtobel AG group of companies which includes this company.

NOTES TO THE ACCOUNTS

Year ended 30 April 2003

21. PARENT AND CONTROLLING UNDERTAKING

The immediate parent and controlling undertaking is TridonicAtco Holding GmbH, a company incorporated in Austria.

The ultimate parent and controlling undertaking of the largest and smallest group for whom consolidated financial statements are prepared, is Zumtobel AG, a company incorporated in Austria. A copy of these financial statements can be obtained from Zumtobel AG, Höchsterstrasse 8, A6850 Dornbirn, Austria.

As permitted by FRS 8 "Related party disclosures", these financial statements do not disclose transactions with the parent undertaking and fellow subsidiaries where 90% of the voting rights are controlled within the group.