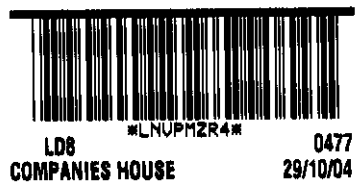


**Company Registration No. 887600**

**Tridonic Limited**

**Report and Financial Statements**

**30 April 2004**



# **Tridonic Limited**

## **Report and financial statements 2004**

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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 2004.

### **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 growth in sales to both UK and European markets. Increased operating profitability reflects the company's continued cost reduction programmes.

The directors expect the general level of activity to continue for the forthcoming year.

### **Results and dividends**

The company's profit for the year after taxation amounted to £1,026,488 (2003: £2,210,865).

A dividend of £2,589,000 (2003: £nil) has been paid during the year.

### **Directors and their interests**

The directors who served during the year and since the year end were as follows:

D G Hawes	
P G Kleinitzer	(Resigned 30 April 2004)
W A Ziegler	
W K Blum	(Appointed 1 May 2004)

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

### **Auditors**

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them 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

28/10/ 2004

## **Tridonic Limited**

### **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 2004 which comprise the profit and loss account, the balance sheet and the related notes 1 to 22. 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 audit 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 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*

**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors

London

28/10/ 2004

## Tridonic Limited

### Profit and loss account For the year ended 30 April 2004

	Note	2004 £	2003 £
Turnover	1,2	45,384,864	42,538,007
Cost of sales		(40,799,003)	(39,100,682)
<b>Gross profit</b>		<b>4,585,861</b>	<b>3,437,325</b>
Distribution costs		(720,263)	(704,555)
Administrative expenses		(2,461,437)	(2,395,206)
Other operating income		111,955	308,160
<b>Operating profit</b>		<b>1,516,116</b>	<b>645,724</b>
Profit on disposal of land and buildings	7	-	2,262,457
Interest receivable and similar income	5	23,452	28,896
Interest payable	6	(4,412)	(169,060)
<b>Profit on ordinary activities before taxation</b>	7	<b>1,535,156</b>	<b>2,768,017</b>
Tax on profit on ordinary activities	8	(508,668)	(557,152)
<b>Profit on ordinary activities after taxation</b>	17	<b>1,026,488</b>	<b>2,210,865</b>
Dividend paid	9	(2,589,000)	-
<b>Retained (loss)/ profit for the financial year</b>	16	<b>(1,562,512)</b>	<b>2,210,865</b>

All amounts relate to continuing activities.

There are no recognised gains or losses in either year other than the (loss)/profit for the year.

# Tridonic Limited

## Balance sheet 30 April 2004

	Note	2004 £	2003 £
<b>Fixed assets</b>			
Intangible assets	10	394,381	591,571
Tangible assets	11	1,485,868	1,608,969
		<u>1,880,249</u>	<u>2,200,540</u>
<b>Current assets</b>			
Stocks	12	6,333,042	6,260,666
Debtors	13	10,192,362	10,357,997
Cash at bank and in hand		2,484,589	3,713,792
		<u>19,009,993</u>	<u>20,332,455</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(9,793,045)</u>	<u>(9,855,586)</u>
<b>Net current assets</b>		<u>9,216,948</u>	<u>10,476,869</u>
<b>Total assets less current liabilities</b>		<u>11,097,197</u>	<u>12,677,409</u>
<b>Creditors: amounts falling due after more than one year</b>	14	<u>(12,918)</u>	<u>(30,618)</u>
<b>Net assets</b>		<u>11,084,279</u>	<u>12,646,791</u>
<b>Capital and reserves</b>			
Called up share capital	15	8,789,000	8,789,000
Profit and loss account	16	2,295,279	3,857,791
<b>Equity shareholders' funds</b>	17	<u>11,084,279</u>	<u>12,646,791</u>

These financial statements were approved by the Board of Directors on 28/10/2004.

Signed on behalf of the Board of Directors



D G Hawes  
Director

# **Tridonic Limited**

## **Notes to the accounts Year ended 30 April 2004**

### **1. Accounting policies**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below. These have been applied consistently in the current and prior year.

#### **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 to present a cash flow statement because it is a wholly owned subsidiary of Zumtobel AG which prepares consolidated financial statements 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 depreciated over their 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%

#### **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 substantially 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 substantially enacted at the balance sheet date.

#### **Foreign currency translations**

Transactions in foreign currencies are translated at the rate of exchange ruling at the 1<sup>st</sup> of each month. Monetary assets and liabilities in foreign currency are translated at the rate of exchange ruling at the year end. Profit 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 2004

#### 1. Accounting policies (continued)

##### 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.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

##### 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.

#### 2. Turnover

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

#### 3. Staff costs

	2004 £	2003 £
Wages and salaries	3,852,577	4,194,665
Social security costs	311,899	283,606
Pension costs	311,841	331,624
	<u>4,476,317</u>	<u>4,809,895</u>

# Tridonic Limited

## Notes to the accounts Year ended 30 April 2004

### 3. Staff costs (continued)

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

	2004 No.	2003 No.
Warehouse	8	9
Selling	7	7
Production	128	137
Development	16	17
Administration/technical	13	18
Finance	6	6
	<u>178</u>	<u>194</u>

### 4. Directors' remuneration

	2004 £	2003 £
Emoluments	163,375	140,096
Pension contributions	11,972	11,972
	<u>175,347</u>	<u>152,068</u>

Retirement benefits are accruing to one director (2003: one) under a personal money purchase scheme.

### 5. Interest receivable

	2004 £	2003 £
Bank interest receivable	<u>23,452</u>	<u>28,896</u>

### 6. Interest payable

	2004 £	2003 £
On bank loans and overdrafts	92	164,740
Finance leases and hire purchase contracts	4,320	4,320
	<u>4,412</u>	<u>169,060</u>

# Tridonic Limited

## Notes to the accounts Year ended 30 April 2004

### 7. Profit on ordinary activities before taxation

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

	2004 £	2003 £
Auditors' remuneration:		
- audit	18,600	15,889
Amortisation of goodwill	197,190	197,190
Depreciation of tangible fixed assets:		
- owned	499,946	642,397
- held under finance leases and hire purchase contracts	17,701	17,699
Operating lease rentals:		
- equipment	76,878	38,635
- other	94,910	7,111
Rent receivable	(20,567)	(308,160)
Profit on disposal of tangible fixed assets	(4,154)	(2,296,779)
Foreign exchange gain on forward contract	(65,605)	-
	<u>          </u>	<u>          </u>

In the prior year, Thomas House was sold to a 3<sup>rd</sup> party on a sale and leaseback basis. This resulted in a profit on disposal of £2,262,457.

### 8. Tax on profit on ordinary activities

	2004 £	2003 £
Current tax:		
UK corporation tax	520,034	748,081
Adjustments in respect of prior years:		
- UK corporation tax	(819)	(48,511)
	<u>          </u>	<u>          </u>
Total current tax	519,215	699,570
Deferred tax:		
- Origination and reversal of timing differences	18,655	(66,460)
- Adjustments in respect of prior years	(29,202)	(75,958)
	<u>          </u>	<u>          </u>
Total tax on profit on ordinary activities	<u>508,668</u>	<u>557,152</u>

# Tridonic Limited

## Notes to the accounts Year ended 30 April 2004

### 8. Tax on profit on ordinary activities (continued)

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:

	2004 £	2003 £
Reconciliation of tax charge on ordinary activities		
Profit on ordinary activities before tax	1,535,156	2,768,017
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2003: 30%)	460,547	830,405
Effects of:		
Non taxable profit on sale of property	-	(165,242)
Expenses not deductible for tax purposes	78,143	76,334
Capital allowances in excess of depreciation	(28,543)	(15,338)
Adjustments in respect of group relief	-	-
Other timing differences	9,887	21,922
Adjustments to tax charge in respect of prior years	(819)	(48,511)
Current tax charge for year	519,215	699,570

### 9. Dividends

	2004 £	2003 £
Dividend paid of 29.45 pence (2003: nil) per ordinary share	2,589,000	-

### 10. Intangible fixed assets - goodwill

	£
<b>Cost</b>	
At 1 May 2003	985,951
At 30 April 2004	985,951
<b>Amortisation</b>	
At 1 May 2003	394,380
Charge for the year	197,190
At 30 April 2004	591,570
<b>Net book value</b>	
At 30 April 2004	394,381
At 30 April 2003	591,571

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.

# Tridonic Limited

## Notes to the accounts Year ended 30 April 2004

### 11. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
<b>Cost</b>					
At 1 May 2003	5,315,537	113,217	32,466	144,000	5,605,220
Additions	445,276	-	-	7,548	452,824
Disposals	(201,986)	(9,553)	(32,466)	(144,160)	(388,165)
At 30 April 2004	<u>5,558,827</u>	<u>103,664</u>	<u>-</u>	<u>7,388</u>	<u>5,669,879</u>
<b>Depreciation</b>					
At 1 May 2003	3,769,075	93,973	26,188	107,015	3,996,251
Charge for the year	486,946	8,001	4,432	18,268	517,647
Disposals	(171,121)	(8,228)	(30,620)	(119,918)	(329,887)
At 30 April 2004	<u>4,084,900</u>	<u>93,746</u>	<u>-</u>	<u>5,365</u>	<u>4,184,011</u>
<b>Net book value</b>					
At 30 April 2004	<u>1,473,927</u>	<u>9,918</u>	<u>-</u>	<u>2,023</u>	<u>1,485,868</u>
At 30 April 2003	<u>1,546,462</u>	<u>19,244</u>	<u>6,278</u>	<u>36,985</u>	<u>1,608,969</u>

The net book value of plant and machinery held under hire purchase and finance lease contracts is £32,451 (2003: £50,152).

### 12. Stocks

	2004 £	2003 £
Raw materials	1,396,334	1,481,126
Finished goods and stock held for resale	<u>4,936,708</u>	<u>4,779,540</u>
	<u>6,333,042</u>	<u>6,260,666</u>

### 13. Debtors: amounts falling due within one year

	2004 £	2003 £
Trade debtors	6,711,871	6,868,939
Amounts owed by group undertakings	2,868,255	3,010,325
Other debtors	295,781	173,979
Prepayments and accrued income	125,784	124,630
Deferred taxation (see note 20)	<u>190,671</u>	<u>180,124</u>
	<u>10,192,362</u>	<u>10,357,997</u>

# Tridonic Limited

## Notes to the accounts Year ended 30 April 2004

### 14. Creditors: amounts falling due within one year

	2004 £	2003 £
Obligations under finance leases	17,700	17,700
Trade creditors	2,520,844	1,822,726
Amounts due to group undertakings	5,620,365	5,719,731
Other taxation and social security	1,036,328	1,881,694
Accruals and deferred income	597,808	413,735
	<u>9,793,045</u>	<u>9,855,586</u>

### Creditors: amounts falling due after more than one year

Finance leases	<u>12,918</u>	<u>30,618</u>
----------------	---------------	---------------

### Finance leases

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

	2004 £	2003 £
Less than one year	17,700	17,700
Between one and two years	12,918	17,700
Between two and five years	-	12,918
	<u>30,618</u>	<u>48,318</u>

### 15. Called up share capital

	2004 £	2003 £
<b>Authorised:</b>		
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>
<b>Called up, allotted and fully paid</b>		
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 pari-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.

# Tridonic Limited

## Notes to the accounts Year ended 30 April 2004

### 16. Profit and loss account

	2004 £
At 1 May 2003	3,857,791
Retained loss for the financial year	(1,562,512)
At 30 April 2004	<u>2,295,279</u>

### 17. Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Profit for the financial year	1,026,488	2,210,865
Dividend paid	(2,589,000)	-
Net (reduction)/addition to shareholders' funds	<u>(1,562,512)</u>	<u>2,210,865</u>
Opening shareholders' funds	12,646,791	10,435,926
Closing shareholders' funds	<u>11,084,279</u>	<u>12,646,791</u>

### 18. Commitments

	2004 £	2003 £
<b>Other</b>		
Expiring within one year	5,719	19,484
Expiring between two and five years	65,810	45,913
<b>Premises</b>		
Expiring over five years	<u>89,500</u>	<u>89,500</u>
<b>Financial commitments</b>		
Capital commitments are as follows:		
Contracted but not provided for	<u>30,124</u>	<u>77,915</u>

### 19. 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).

# Tridonic Limited

## Notes to the accounts Year ended 30 April 2004

### 19. Pensions (continued)

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 2004 amounted to £278,577 (2003: £298,291). In addition the company contributes to defined pension contribution plans for certain employees. Contributions for the year ended 30 April 2004 amounted to £33,264 (2003: £33,334).

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 £35,600,000.

### 20. Deferred tax asset

	Accelerated capital allowances £	Pension costs £	Other timing differences £	Total £
1 May 2003	145,318	6,306	28,500	180,124
Charged (to)/from profit and loss account	(28,543)	138	9,750	(18,655)
Adjustment in respect of prior years	-	702	28,500	29,202
30 April 2004	<u>116,775</u>	<u>7,146</u>	<u>66,750</u>	<u>190,671</u>
			<b>2004 £</b>	<b>2003 £</b>
Accelerated capital allowances			116,775	145,318
Pension costs			7,146	6,306
Other timing differences			<u>66,750</u>	<u>28,500</u>
Undiscounted provision for deferred tax			<u>190,671</u>	<u>180,124</u>

The directors are satisfied that the deferred tax asset is recoverable upon future taxable profits.

### 21. 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.

### 22. 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 which 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.