

Company Registration No. 887600

TridonicAtco UK Limited

Report and Financial Statements

30 April 2006



TridonicAtco UK Limited

Report and financial statements 2006

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TridonicAtco UK Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 April 2006.

In compliance with section 234ZA of the Companies Act 1985:

- (a) so far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) each of the directors 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.

Principal activities

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

Business review

The Directors expect the general level of activity to remain constant over the forthcoming year. There are no significant changes expected in the company's field of operations. The results for the year reflect sales growth in the UK with a reduction of sales into Europe as a result of the relocation of production for certain product lines.

The Company continues to invest in research and development. This has resulted in a number of new products being introduced which are expected to maintain the company's position in the marketplace and make an ongoing contribution to the growth of the business. The directors regard continued investment in this area as a prerequisite for success in the medium to long term future.

There have been no significant events since the balance sheet date.

Financial Risk Management

The company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet the only financial risks the directors consider relevant to this company are credit risk and liquidity risk. These risks are mitigated by the nature of the debtor balances owed, who are able to repay if required and the debtor insurance policy currently in place.

Results and dividends

The company's profit for the year after taxation amounted to £ 1,242,280 (2005: £1,175,098).

A dividend of £ 1,100,000 (2005: £1,000,000) has been paid during the year.

TridonicAtco UK Limited

Directors' report (continued)

Directors and their interests

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

D G Hawes

W A Ziegler (resigned 31 May 2006)

W K Blum

R Michal (resigned 31 May 2006)

G A Brydon (appointed 31 May 2006)

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

Auditors

Deloitte & Touche LLP will resign as auditors in the coming financial year. KPMG plc will be appointed to fill the temporary vacancy and a resolution to appoint them will be proposed at the forthcoming Annual General Meeting.

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



N F J Dew
Secretary

17 October 2006

TridonicAtco UK 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 enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, 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' report to the members of TridonicAtco UK Limited

We have audited the financial statements of TridonicAtco UK Limited for the year ended 30 April 2006 which comprise the profit and loss account, the balance sheet and the related notes 1 to 23. 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

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, 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 directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 judgments 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.

Independent auditors' report to the members of TridonicAtco UK Limited (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 April 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

Newcastle upon Tyne

17 October 2006

TridonicAtco UK Limited

Profit and loss account For the year ended 30 April 2006

	Notes	2006 £	2005 £
Turnover	1, 2	47,873,614	47,350,228
Cost of sales		(43,092,383)	(42,481,183)
Gross profit		4,781,231	4,869,045
Distribution costs		(733,121)	(715,415)
Administrative expenses before restructuring costs		(2,460,118)	(2,559,113)
Restructuring costs	7	-	(487,261)
Administrative expenses		(2,460,118)	(3,046,374)
Other operating income		1,311	2,399
Operating profit		1,589,303	1,109,655
Profit on operating hedges		99,388	-
Interest receivable and similar income	5	124,348	58,997
Interest payable	6	(5,996)	(4,429)
Profit on ordinary activities before taxation	7	1,807,043	1,164,223
Tax (charge)/credit on profit on ordinary activities	8	(564,763)	10,875
Profit on ordinary activities after taxation	17	1,242,280	1,175,098
Dividend paid	9	(1,100,000)	(1,000,000)
Retained profit for the financial year	16	142,280	175,098

All amounts relate to continuing activities.

There are no recognised gains or losses in either year other than the profit for the current and prior years.

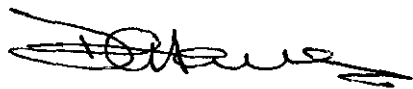
TridonicAtco UK Limited

Balance sheet 30 April 2006

	Note	2006 £	2005 £
Fixed assets			
Intangible assets	10	-	197,191
Tangible assets	11	1,341,389	1,192,830
		<u>1,341,389</u>	<u>1,390,021</u>
Current assets			
Stocks	12	6,153,652	6,610,550
Debtors	13	13,118,361	11,259,540
Cash at bank and in hand		2,021,195	3,115,697
		<u>21,293,208</u>	<u>20,985,787</u>
Creditors: amounts falling due within one year	14	(11,232,940)	(11,116,431)
Net current assets		<u>10,060,268</u>	<u>9,869,356</u>
Total assets less current liabilities		<u>11,401,657</u>	<u>11,259,377</u>
Net assets		<u>11,401,657</u>	<u>11,259,377</u>
Capital and reserves			
Called up share capital	15	8,789,000	8,789,000
Profit and loss account	16	2,612,657	2,470,377
Shareholders' funds	17	<u>11,401,657</u>	<u>11,259,377</u>

These financial statements were approved by the Board of Directors on 17 October 2006.

Signed on behalf of the Board of Directors



D G Hawes
Director

TridonicAtco UK Limited

Notes to the accounts Year ended 30 April 2006

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, which are held at cost less accumulated depreciation and provision for any impairment, 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	-	20%

Stocks

Stocks are 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

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

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets are not discounted.

TridonicAtco UK Limited

Notes to the accounts **Year ended 30 April 2006**

1. Accounting policies (continued)

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 year end. Profit and losses arising on foreign currency translation are dealt with in the profit and loss account.

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.

TridonicAtco UK Limited

Notes to the accounts Year ended 30 April 2006

3. Staff costs

	2006 £	2005 £
Wages and salaries	3,284,026	4,007,935
Social security costs	271,503	298,300
Pension costs	227,603	273,476
	<u>3,783,132</u>	<u>4,579,711</u>

The monthly average number of employees during the year (including directors) was as follows:

	2006 No.	2005 No.
Warehouse	8	8
Selling	8	7
Production	99	125
Development	13	15
Administration/technical	11	11
Finance	6	6
	<u>145</u>	<u>172</u>

4. Directors' remuneration

	2006 £	2005 £
Emoluments	174,273	188,818
Pension contributions	12,540	12,232
	<u>186,813</u>	<u>201,050</u>

Retirement benefits are accruing to one director (2005: one) under a personal money purchase scheme.

5. Interest receivable

	2006 £	2005 £
Bank interest receivable	17,419	34,785
Inter company interest receivable	106,929	24,212
	<u>124,348</u>	<u>58,997</u>

TridonicAtco UK Limited

Notes to the accounts Year ended 30 April 2006

6. Interest payable

	2006 £	2005 £
On bank loans and overdrafts	2,123	109
Finance leases and hire purchase contracts	3,873	4,320
	<u>5,996</u>	<u>4,429</u>

7. Profit on ordinary activities before taxation

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

	2006 £	2005 £
Auditors' remuneration:		
- audit	18,285	18,053
Amortisation of goodwill	197,191	197,190
Depreciation of tangible fixed assets:		
- owned	494,331	474,033
- held under finance leases and hire purchase contracts	14,751	17,700
Operating lease rentals:		
- equipment	65,808	65,932
- other	98,500	89,500
Rent receivable	(65,802)	(10,000)
Restructuring costs	-	487,261
(Profit)/loss on disposal of tangible fixed assets	(2,167)	15,270

Restructuring costs relate to redundancy costs and losses on the disposal of fixed assets as a result of restructuring within the UK production facility.

8. Tax charge/(credit) on profit on ordinary activities

	2006 £	2005 £
Current tax	561,000	-
Total current tax	<u>561,000</u>	<u>-</u>
Deferred tax:		
- Origination and reversal of timing differences	67,024	45,314
- Adjustments in respect of prior years	(63,261)	(56,189)
Total tax on profit on ordinary activities	<u>564,763</u>	<u>(10,875)</u>

TridonicAtco UK Limited

Notes to the accounts Year ended 30 April 2006

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:

	2006 £	2005 £
Reconciliation of tax charge on ordinary activities		
Profit on ordinary activities before tax	1,807,043	1,164,223
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2005: 30%)	542,113	349,267
Effects of:		
Expenses not deductible for tax purposes	85,911	90,156
Capital allowances in excess of depreciation	(22,111)	(9,497)
Group relief surrendered for nil consideration	-	(394,109)
Other timing differences	(44,913)	(35,817)
Current tax charge for year	561,000	-

9. Dividends

	2006 £	2005 £
Dividend paid of 12.52 pence (2005: 11.38 pence) per ordinary share	1,100,000	1,000,000

10. Intangible fixed assets - goodwill

	£
Cost	
At 1 May 2005	985,951
At 30 April 2006	985,951
Amortisation	
At 1 May 2005	788,760
Charge for the year	197,191
At 30 April 2006	985,951
Net book value	
At 30 April 2006	-
At 30 April 2005	197,191

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.

TridonicAtco UK Limited

Notes to the accounts Year ended 30 April 2006

11. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 May 2005	4,353,608	102,881	14,359	4,470,848
Additions	506,070	149,738	2,116	657,924
Disposals	(81,622)	(599)	-	(82,221)
	<u>4,778,056</u>	<u>252,020</u>	<u>16,475</u>	<u>5,046,551</u>
At 30 April 2006				
Depreciation				
At 1 May 2005	3,177,008	93,874	7,136	3,278,018
Charge for the year	497,132	9,435	2,515	509,082
Disposals	(81,339)	(599)	-	(81,938)
	<u>3,592,801</u>	<u>102,710</u>	<u>9,651</u>	<u>3,705,162</u>
At 30 April 2006				
Net book value				
At 30 April 2006	<u>1,185,255</u>	<u>149,310</u>	<u>6,824</u>	<u>1,341,389</u>
At 30 April 2005	<u>1,176,600</u>	<u>9,007</u>	<u>7,223</u>	<u>1,192,830</u>

The net book value of plant and machinery held under hire purchase and finance lease contracts is £ Nil (2005: £14,751).

12. Stocks

	2006 £	2005 £
Raw materials	1,446,478	1,021,057
Finished goods and stock held for resale	4,707,174	5,589,493
	<u>6,153,652</u>	<u>6,610,550</u>

There is no material difference between the balance sheet value of stocks and their replacement costs.

13. Debtors: amounts falling due within one year

	2006 £	2005 £
Trade debtors	7,568,299	6,920,254
Amounts owed by group undertakings	5,188,810	3,939,522
Other debtors	119,658	149,970
Prepayments and accrued income	43,811	48,248
Deferred taxation (see note 20)	197,783	201,546
	<u>13,118,361</u>	<u>11,259,540</u>

TridonicAtco UK Limited

Notes to the accounts Year ended 30 April 2006

14. Creditors: amounts falling due within one year

	2006 £	2005 £
Obligations under finance leases	-	12,918
Trade creditors	1,852,231	1,664,510
Amounts due to group undertakings	7,666,034	7,944,595
Other taxation and social security	1,098,250	1,050,373
Accruals and deferred income	616,425	444,035
	<u>11,232,940</u>	<u>11,116,431</u>

Finance leases

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

	2006 £	2005 £
Less than one year	-	12,918
Between one and two years	-	-
	<u>-</u>	<u>12,918</u>

15. Called up share capital

	2006 £	2005 £
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 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.

TridonicAtco UK Limited

Notes to the accounts Year ended 30 April 2006

16. Profit and loss account

	2006 £
At 1 May 2005	2,470,377
Retained profit for the financial year	142,280
At 30 April 2006	<u>2,612,657</u>

17. Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Profit for the financial year	1,242,280	1,175,098
Dividend paid	(1,100,000)	(1,000,000)
Net addition to shareholders' funds	<u>142,280</u>	<u>175,098</u>
Opening shareholders' funds	11,259,377	11,084,279
Closing shareholders' funds	<u>11,401,657</u>	<u>11,259,377</u>

18. Financial commitments

Capital commitments are as follows:

	2006 £	2005 £
Contracted but not provided for	<u>-</u>	<u>114,073</u>

Annual commitments under non-cancellable operating leases are as follows:

	2006 £	2005 £
Land and buildings		
Expiring over five years	<u>89,500</u>	<u>89,500</u>
Other		
Expiring within one year	1,903	32,460
Expiring between two and five years	<u>31,935</u>	<u>33,349</u>

TridonicAtco UK Limited

Notes to the accounts Year ended 30 April 2006

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 2003 (previous actuarial valuation: 31 March 2001).

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 2006 amounted to £ 191,537 (2005: £239,348). In addition the company contributes to defined pension contribution plans for certain employees. Contributions for the year ended 30 April 2006 amounted to £ 36,066 (2005: £30,044).

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 £38,700,000.

20. Financial instruments

The fair value of open foreign exchange contracts at 30 April 2006 was £40,356 (2005: £78,675).

21. Deferred tax asset

	Accelerated capital allowances £	Pension costs £	Other timing differences £	Total £
At 1 May 2005	163,467	5,243	32,836	201,546
Origination and reversal of timing differences	(22,111)	(626)	(44,287)	(67,024)
Adjustment in respect of prior years	-	-	63,261	63,261
At 30 April 2006	<u>141,356</u>	<u>4,617</u>	<u>51,810</u>	<u>197,783</u>

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

TridonicAtco UK Limited

Notes to the accounts Year ended 30 April 2006

22. 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.

23. 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.