

Company Registration No. 887600

**TridonicAtco UK Limited (formerly
Tridonic Limited)**

Report and Financial Statements

30 April 2005



TridonicAtco UK Limited (formerly Tridonic Limited)

Report and financial statements 2005

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TridonicAtco UK Limited (formerly Tridonic Limited)

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 April 2005.

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. Restructuring within the UK production facility impacted the results. The lower cost base will increase future operational competitiveness.

During the year the company changed its name to TridonicAtco UK Limited from Tridonic Limited.

Results and dividends

The company's profit for the year after taxation amounted to £1,175,098 (2004: £1,026,488).

A dividend of £1,000,000 (2004: £2,589,000) 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

W A Ziegler

W K Blum

R Michal Appointed 12 January 2005

None of the directors has 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



N.F.J. Dew
Secretary

. 18 October 2005

TridonicAtco UK Limited (formerly 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, 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 (formerly Tridonic Limited)

We have audited the financial statements of TridonicAtco UK Limited for the year ended 30 April 2005 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 2005 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

18 October 2005

TridonicAtco UK Limited (formerly Tridonic Limited)

Profit and loss account For the year ended 30 April 2005

	Notes	2005 £	2004 £
Turnover	1, 2	47,350,228	45,384,864
Cost of sales		(42,481,183)	(40,799,003)
Gross profit		4,869,045	4,585,861
Distribution costs		(715,415)	(720,263)
Administrative expenses before restructuring costs		(2,559,113)	(2,461,437)
Restructuring costs	7	(487,261)	-
Administrative expenses		(3,046,374)	(2,461,437)
Other operating income		2,399	111,955
Operating profit		1,109,655	1,516,116
Interest receivable and similar income	5	58,997	23,452
Interest payable	6	(4,429)	(4,412)
Profit on ordinary activities before taxation	7	1,164,223	1,535,156
Tax on profit on ordinary activities	8	10,875	(508,668)
Profit on ordinary activities after taxation	17	1,175,098	1,026,488
Dividend paid	9	(1,000,000)	(2,589,000)
Retained profit/(loss) for the financial year	16	175,098	(1,562,512)

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 (formerly Tridonic Limited)

Balance sheet 30 April 2005

	Note	2005 £	2004 £
Fixed assets			
Intangible assets	10	197,191	394,381
Tangible assets	11	1,192,830	1,485,868
		<u>1,390,021</u>	<u>1,880,249</u>
Current assets			
Stocks	12	6,610,550	6,333,042
Debtors	13	11,259,540	10,192,362
Cash at bank and in hand		3,115,697	2,484,589
		<u>20,985,787</u>	<u>19,009,993</u>
Creditors: amounts falling due within one year	14	<u>(11,116,431)</u>	<u>(9,793,045)</u>
Net current assets		<u>9,869,356</u>	<u>9,216,948</u>
Total assets less current liabilities		<u>11,259,377</u>	<u>11,097,197</u>
Creditors: amounts falling due after more than one year	14	<u>-</u>	<u>(12,918)</u>
Net assets		<u>11,259,377</u>	<u>11,084,279</u>
Capital and reserves			
Called up share capital	15	8,789,000	8,789,000
Profit and loss account	16	2,470,377	2,295,279
Equity shareholders' funds	17	<u>11,259,377</u>	<u>11,084,279</u>

These financial statements were approved by the Board of Directors on 18 October 2005.

Signed on behalf of the Board of Directors



D G Hawes
Director

TridonicAtco UK Limited

NOTES TO THE ACCOUNTS

Year ended 30 April 2005

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%

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 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.

TridonicAtco UK Limited

NOTES TO THE ACCOUNTS Year ended 30 April 2005

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

	2005 £	2004 £
Wages and salaries	4,007,935	3,852,577
Social security costs	298,300	311,899
Pension costs	273,476	311,841
	<u>4,579,711</u>	<u>4,476,317</u>

TridonicAtco UK Limited (formerly Tridonic Limited)

Notes to the accounts **Year ended 30 April 2005**

3. Staff costs (continued)

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

	2005	2004
	No.	No.
Warehouse	8	8
Selling	7	7
Production	125	128
Development	15	16
Administration/technical	11	13
Finance	6	6
	<u>172</u>	<u>178</u>

4. Directors' remuneration

	2005	2004
	£	£
Emoluments	188,818	163,375
Pension contributions	12,232	11,972
	<u>201,050</u>	<u>175,347</u>

Retirement benefits are accruing to one director (2004: one) under a personal money purchase scheme.

5. Interest receivable

	2005	2004
	£	£
Bank interest receivable	34,785	23,452
Inter company interest receivable	24,212	-
	<u>58,997</u>	<u>23,452</u>

6. Interest payable

	2005	2004
	£	£
On bank loans and overdrafts	109	92
Finance leases and hire purchase contracts	4,320	4,320
	<u>4,429</u>	<u>4,412</u>

TridonicAtco UK Limited (formerly Tridonic Limited)

Notes to the accounts Year ended 30 April 2005

7. Profit on ordinary activities before taxation

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

	2005 £	2004 £
Auditors' remuneration:		
- audit	18,053	18,600
Amortisation of goodwill	197,190	197,190
Depreciation of tangible fixed assets:		
- owned	474,033	499,946
- held under finance leases and hire purchase contracts	17,700	17,701
Operating lease rentals:		
- equipment	65,932	76,878
- other	89,500	94,910
Rent receivable	(10,000)	(20,567)
Restructuring costs	487,261	-
Loss/(profit) on disposal of tangible fixed assets	15,270	(4,154)

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 on profit on ordinary activities

	2005 £	2004 £
Current tax	-	520,034
Adjustments in respect of prior years:	-	(819)
Total current tax	-	519,215
Deferred tax:		
- Origination and reversal of timing differences	45,314	18,655
- Adjustments in respect of prior years	(56,189)	(29,202)
Total tax on profit on ordinary activities	(10,875)	508,668

TridonicAtco UK Limited (formerly Tridonic Limited)

Notes to the accounts Year ended 30 April 2005

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:

	2005 £	2004 £
Reconciliation of tax charge on ordinary activities		
Profit on ordinary activities before tax	1,164,223	1,535,156
Tax on profit on ordinary activities at standard UK corporation tax rate of 30 % (2004: 30%)	349,267	460,547
Effects of:		
Expenses not deductible for tax purposes	90,156	78,143
Capital allowances in excess of depreciation	(9,497)	(28,543)
Adjustments in respect of group relief not paid for	(394,109)	-
Other timing differences	(35,817)	9,887
Adjustments to tax charge in respect of prior years	-	(819)
Current tax charge for year	-	519,215

9. Dividends

	2005 £	2004 £
Dividend paid of 11.38 pence (2004: 29.45 pence) per ordinary share	1,000,000	2,589,000

10. Intangible fixed assets - goodwill

	£
Cost	
At 1 May 2004	985,951
At 30 April 2005	985,951
Amortisation	
At 1 May 2004	591,570
Charge for the year	197,190
At 30 April 2005	788,760
Net book value	
At 30 April 2005	197,191
At 30 April 2004	394,381

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 (formerly Tridonic Limited)

Notes to the accounts Year ended 30 April 2005

11. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 May 2004	5,558,827	103,664	7,388	5,669,879
Additions	254,609	5,750	6,971	267,330
Disposals	(1,459,828)	(6,533)	-	(1,466,361)
At 30 April 2005	4,353,608	102,881	14,359	4,470,848
Depreciation				
At 1 May 2004	4,084,900	93,746	5,365	4,184,011
Charge for the year	483,395	6,567	1,771	491,733
Disposals	(1,391,287)	(6,439)	-	(1,397,726)
At 30 April 2005	3,177,008	93,874	7,136	3,278,018
Net book value				
At 30 April 2005	1,176,600	9,007	7,223	1,192,830
At 30 April 2004	1,473,927	9,918	2,023	1,485,868

The net book value of plant and machinery held under hire purchase and finance lease contracts is £14,751 (2004: £32,451).

12. Stocks

	2005 £	2004 £
Raw materials	1,021,057	1,396,334
Finished goods and stock held for resale	5,589,493	4,936,708
	6,610,550	6,333,042

13. Debtors: amounts falling due within one year

	2005 £	2004 £
Trade debtors	6,920,254	6,711,871
Amounts owed by group undertakings	3,939,522	2,868,255
Other debtors	149,970	295,781
Prepayments and accrued income	48,248	125,784
Deferred taxation (see note 20)	201,546	190,671
	11,259,540	10,192,362

TridonicAtco UK Limited (formerly Tridonic Limited)

Notes to the accounts Year ended 30 April 2005

14. Creditors: amounts falling due within one year

	2005 £	2004 £
Obligations under finance leases	12,918	17,700
Trade creditors	1,664,510	2,520,844
Amounts due to group undertakings	7,944,595	5,620,365
Other taxation and social security	1,050,373	1,036,328
Accruals and deferred income	444,035	597,808
	<u>11,116,431</u>	<u>9,793,045</u>

Creditors: amounts falling due after more than one year

Obligations under finance leases	-	12,918
	<u>-</u>	<u>12,918</u>

Finance leases

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

	2005 £	2004 £
Less than one year	12,918	17,700
Between one and two years	-	12,918
	<u>12,918</u>	<u>30,618</u>

15. Called up share capital

	2005 £	2004 £
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 (formerly Tridonic Limited)

Notes to the accounts Year ended 30 April 2005

16. Profit and loss account

	2005 £
At 1 May 2004	2,295,279
Retained profit for the financial year	175,098
	<hr/>
At 30 April 2005	2,470,377
	<hr/>

17. Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Profit for the financial year	1,175,098	1,026,488
Dividend paid	(1,000,000)	(2,589,000)
	<hr/>	<hr/>
Net addition/(reduction) to shareholders' funds	175,098	(1,562,512)
	<hr/>	<hr/>
Opening shareholders' funds	11,084,279	12,646,791
	<hr/>	<hr/>
Closing shareholders' funds	11,259,377	11,084,279
	<hr/>	<hr/>

18. Financial Commitments

Capital commitments are as follows:

	2005 £	2004 £
Contracted but not provided for	114,073	30,124
	<hr/>	<hr/>

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

	2005 £	2004 £
Land and buildings		
Expiring over five years	89,500	89,500
	<hr/>	<hr/>
Other		
Expiring within one year	32,460	5,719
Expiring between two and five years	33,349	65,810
	<hr/>	<hr/>

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.

TridonicAtco UK Limited (formerly Tridonic Limited)

Notes to the accounts Year ended 30 April 2005

19. Pensions (continued)

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 2005 amounted to £239,348 (2004: £278,577). In addition the company contributes to defined pension contribution plans for certain employees. Contributions for the year ended 30 April 2005 amounted to £30,044 (2004: £33,264).

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. Deferred tax asset

	Accelerated capital allowances £	Pension costs £	Other timing differences £	Total £
1 May 2004	116,775	7,146	66,750	190,671
Origination and reversal of timing differences	(9,497)	(1,903)	(33,914)	(45,314)
Adjustment in respect of prior years	56,189	-	-	56,189
30 April 2005	<u>163,467</u>	<u>5,243</u>	<u>32,836</u>	<u>201,546</u>
			2005 £	2004 £
Accelerated capital allowances			163,467	116,775
Pension costs			5,243	7,146
Other timing differences			32,836	66,750
Undiscounted provision for deferred tax			<u>201,546</u>	<u>190,671</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.

TridonicAtco UK Limited (formerly Tridonic Limited)

Notes to the accounts

Year ended 30 April 2005

22. Parent and controlling undertaking

The immediate parent and controlling undertaking is *TridonicAtco UKAtco 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.