

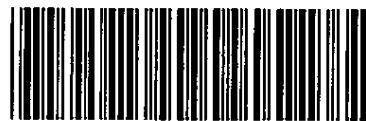
Tridonic UK Limited

**Directors' report and financial
statements**

Registered number 887600

30 April 2013

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Directors' report

The directors present their directors' report and financial statements for the year ended 30 April 2013

Principal activities

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

Business review

The directors consider that the challenging conditions of the last year will continue as the UK economy continues to show little sign of growth. However, shifts to new products and cost saving projects should show improved prospects for the industry in the coming year.

As the market and its technologies continue to change rapidly, investment in research and development continues to be seen as necessary for future success and new products will be introduced into the market over the coming period and beyond.

The company continues to invest in people, both in their development and well being.

There are no significant changes expected in the company's field of operations.

Key performance indicators (KPIs) for the business in current and preceding years are

	2013	2012
Turnover	£62,714,524	£65,919,838
<i>Percentage decrease from prior year</i>	<i>(4.9)%</i>	<i>(10.7)%</i>
Gross profit	£4,889,863	£5,285,922
<i>Gross profit as a percentage of turnover</i>	<i>7.8%</i>	<i>8.0%</i>
Inventories	£7,742,378	£8,944,880
Trade receivables from third parties	£4,319,360	£5,662,267
Trade payables to third parties	£(2,756,592)	£(3,465,111)
Working capital	£9,305,146	£11,142,036
<i>Working capital as a percentage of turnover</i>	<i>14.8%</i>	<i>16.9%</i>

The directors do not consider that there are appropriate non financial KPIs relevant to the understanding of the business and therefore none are disclosed.

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 relate to interest rates, currency, credit, liquidity, cash flow 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, liquidity risk and currency risk. The first two 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. The currency risk is mitigated by the use of forward exchange contracts (see note 19).

Directors' report *(continued)*

Results and dividends

The company's profit for the year after taxation amounted to £1,005,689 (2012 £1,099,657)

Dividends paid during the year comprise an interim dividend in respect of the year ended 30 April 2013 of £1,075,000. The directors do not recommend the payment of a final dividend.

Policy and practice on payment of creditors

The company's policy is to agree terms and conditions with suppliers in advance, including terms of payment, and to abide by the payment terms subject to the terms and conditions being met by the supplier. The trade creditor days ratio for the company is 49 days (2012 58 days).

Directors

The directors who held office during the year were as follows

G A Brydon
N Webster (resigned 31 March 2013)
P Novak

Political and charitable contributions

During the year the company made charitable donations of £200 (2012 £920), principally to local charities serving the communities in which the company operates. The company made no political donations or incurred any political expenditure during the year (2012 £nil).

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to ensure that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

By order of the board



N F J Dew
Company Secretary

7 Lindenwood
Chineham Business Park
Crockford Lane
Chineham
Basingstoke
Hampshire
RG24 8LB

3 July 2013

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities



KPMG LLP

Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

Independent auditor's report to the members of Tridonic UK Limited

We have audited the financial statements of Tridonic UK Limited for the year ended 30 April 2013 set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Tridonic UK Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Paul Moran (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

3 July 2013

Profit and Loss Account
for the year ended 30 April 2013

	<i>Note</i>	2013 £	2012 £
Turnover	<i>1, 2</i>	62,714,524	65,919,838
Cost of sales		(57,824,661)	(60,633,916)
		<hr/>	<hr/>
Gross profit		4,889,863	5,285,922
Distribution costs		(659,638)	(670,610)
Administrative expenses		(2,771,773)	(2,899,535)
Other operating income		107,637	83,080
		<hr/>	<hr/>
Operating profit		1,566,089	1,798,857
Interest receivable	<i>6</i>	674	808
Interest payable	<i>7</i>	(83,229)	(96,313)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	<i>3-5</i>	1,483,534	1,703,352
Tax on profit on ordinary activities	<i>8</i>	(477,845)	(603,695)
		<hr/>	<hr/>
Profit for the financial year	<i>16</i>	1,005,689	1,099,657
		<hr/>	<hr/>

All amounts relate to continuing activities

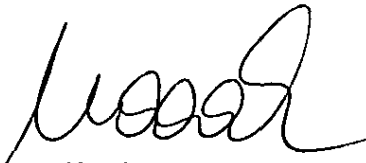
There are no recognised gains or losses in either year other than the profit for the current and prior year

A note on historical gains and losses has not been included as part of the financial statements as the results, as disclosed in the profit and loss account, are prepared on an unmodified historical costs basis

Balance Sheet
at 30 April 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	10		4,594,265		4,658,570
Current assets					
Stocks	11	7,742,378		8,944,880	
Debtors	12	8,212,064		8,549,234	
Cash at bank and in hand		1,201,015		2,327,892	
		17,155,457		19,822,006	
Creditors amounts falling due within one year	13	(10,291,128)		(13,078,918)	
Net current assets			6,864,329		6,743,088
Total assets less current liabilities			11,458,594		11,401,658
Provisions for liabilities	14		(126,247)		-
Net assets			11,332,347		11,401,658
Capital and reserves					
Called up share capital	15	8,789,000		8,789,000	
Profit and loss account	16	2,543,347		2,612,658	
Shareholders' funds			11,332,347		11,401,658

These financial statements were approved by the board of directors on 3 July 2013 and were signed on its behalf by



P Novak
Director

Company registered number 887600

Reconciliation of Movements in Shareholders' Funds
for the year ended 30 April 2013

	2013 £	2012 £
Profit for the financial year	1,005,689	1,099,657
Dividends on shares classified in shareholders' funds	(1,075,000)	(2,400,000)
	<hr/>	<hr/>
Retained loss	(69,311)	(1,300,343)
Credit in relation to share based payments	-	(29,415)
	<hr/>	<hr/>
Net reduction to shareholders' funds	(69,311)	(1,329,758)
Opening shareholders' funds	11,401,658	12,731,416
	<hr/>	<hr/>
Closing shareholders' funds	11,332,347	11,401,658
	<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

As the company is a wholly owned subsidiary of Zumtobel AG, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group

Going concern

Further information on the company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report. The company has net assets of £11.3 million at the year end and recorded a profit for the year of £1.0 million. The company meets its day to day working capital requirements through its positive cash balances and has no external debts.

The directors therefore have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they believe that it remains appropriate to prepare the financial statements on a going concern basis.

Tangible fixed assets and depreciation

Tangible fixed assets, which are held at cost less accumulated depreciation and provision for any impairment, are depreciated over their expected economic useful lives, taking account of estimated residual values, on a straight-line basis at the following annual rates:

Building improvements	-	5% - 10%
Computer equipment	-	25% - 50%
Plant and machinery	-	10% - 20%
Fixtures and fittings	-	20%

Foreign currencies

Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the 1st of each month. Monetary assets and liabilities in foreign currency are translated into Sterling 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.

Government grants

Capital based government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the estimated useful economic lives of the assets to which they relate.

Leases

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.

Notes (continued)

1 Accounting policies (continued)

Pension costs

The company participates in the Thorn Lighting Pension Fund operated by Thorn Lighting Limited a fellow group company. The scheme, which closed to future accrual on 30 April 2009, 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 Scheme having closed to future accrual on 30 April 2009 was replaced by a stakeholder defined contribution scheme and pension fund payments to this scheme 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.

Research and development

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

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.

Classification of financial instruments issued by the company

The financial instruments issued by the company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) They include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company, and
- b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Turnover

Turnover comprises the value of invoiced sales (excluding value added tax) for products and services provided in the normal course of business. Turnover is recognised on delivery of products.

Notes (continued)

1 Accounting policies (continued)

Share based payments

Where the company's parent grants rights to its equity instruments to the company's employees, which are accounted for as equity-settled in the consolidated accounts of the parent, the company accounts for these share-based payments as equity-settled. The fair value of employee services received in exchange for grant of the options is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options.

Dividends

Dividends are only recognised as a liability at the year end to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2 Turnover

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

3 Notes to the profit and loss account

	2013 £	2012 £
<i>Profit on ordinary activities before taxation is stated after charging/(crediting)</i>		
Depreciation of tangible fixed assets		
Owned	1,002,820	978,458
Operating lease rentals		
Equipment	57,432	71,983
Buildings	313,730	301,000
Research and development expenditure	2,404,141	2,529,111
Profit on disposal of tangible fixed assets	(3,780)	(39)
	<u> </u>	<u> </u>

Auditor's remuneration

	2013 £	2012 £
Audit of these financial statements	21,715	17,914
Amounts receivable by the auditor and its associates in respect of		
Other assurance services	3,452	2,847
	<u> </u>	<u> </u>

4 Remuneration of directors

	2013 £	2012 £
Directors' emoluments	259,174	337,119
Company contributions to money purchase pension schemes	26,345	28,406
	<u> </u>	<u> </u>
<i>Attributable to the highest paid director</i>		
Director's emoluments	259,174	208,512
Company contributions to money purchase pension schemes	-	9,457
	<u> </u>	<u> </u>

Retirement benefits are accruing to one director (2012 two) under personal money purchase schemes.

Notes (continued)

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	Number of employees	
	2013	2012
Warehouse	4	5
Selling	7	9
Production	102	102
Development	36	38
Administration/technical	14	15
Finance	5	5
	<u>168</u>	<u>174</u>

The aggregate payroll costs of these persons were as follows

	2013 £	2012 £
Wages and salaries	5,010,535	4,710,589
Social security costs	483,597	497,033
Pension costs (note 18)	152,559	153,613
Share based payments (note 20)	-	(29,415)
	<u>5,646,691</u>	<u>5,331,820</u>

6 Interest receivable

	2013 £	2012 £
Bank interest receivable	413	393
Interest receivable from group undertakings	261	415
	<u>674</u>	<u>808</u>

7 Interest payable

	2013 £	2012 £
On bank loans and overdrafts	61,726	75,034
Interest payable to group undertakings	21,503	21,279
	<u>83,229</u>	<u>96,313</u>

Notes (continued)

8 Taxation

Analysis of charge in period

	2013	2012
	£	£
<i>UK corporation tax</i>		
Current tax on income for the period	-	-
Group relief payable in the current year	629,000	718,000
	<hr/>	<hr/>
Total current tax	629,000	718,000
<i>Deferred tax (see note 12)</i>		
Origination and reversal of timing differences	(205,187)	(214,353)
Effect of reduction in tax rate	48,678	80,606
Adjustment in respect of previous year	5,354	19,442
	<hr/>	<hr/>
Total deferred tax	(151,155)	(114,305)
	<hr/>	<hr/>
Tax on profit on ordinary activities	477,845	603,695
	<hr/>	<hr/>

For the year ended 30 April 2013, the company was subject to UK corporation tax at a rate of 24% during the 11 months to 31 March 2013 and 23% from 1 April 2013 to 30 April 2013, giving an average rate for the year of 23.92% (2012 25.83%)

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2012 higher) than the standard rate of corporation tax in the UK, 23.92% (2012 25.83%). The differences are explained below

	2013	2012
	£	£
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	1,483,534	1,703,352
	<hr/>	<hr/>
Current tax at 23.92% (2012 25.83%)	354,861	439,976
<i>Effects of</i>		
Expenses not deductible for tax purposes	68,952	63,671
Capital allowances for period lower than depreciation	206,274	251,846
Other short term timing differences	(1,087)	(37,493)
Group relief claimed	629,000	718,000
Payment for group relief	(629,000)	(718,000)
	<hr/>	<hr/>
Total current tax charge (see above)	629,000	718,000
	<hr/>	<hr/>

Factors that may affect future current and total tax charges

The main rate of UK corporation tax changed from 24% to 23% with effect from 1 April 2013. This change became substantively enacted in July 2012 and therefore the effect of this rate reduction on the deferred tax balances as at 30 April 2013 has been included in the figures above.

The Chancellor has proposed changes to further reduce the main rate of corporation tax by two per cent to 21% by 1 April 2014 and a further one per cent to 20% by 1 April 2015. These changes have not yet been substantively enacted and therefore are not included in the figures above. The overall effect of the reductions from 23% to 20%, if these applied to the deferred tax balance at 30 April 2013, would be to reduce the deferred tax asset by approximately £148,090.

Notes (continued)

9 Dividends

The aggregate amount of dividends comprises

	2013 £	2012 £
Interim dividends paid in respect of the current year	1,075,000	2,400,000

The aggregate amount of dividends proposed and not recognised as liabilities as at the year end is £nil (2012 £nil)

10 Tangible fixed assets

	Plant and machinery £	Building fit out £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At beginning of year	8,122,200	1,700,000	221,026	44,064	10,087,290
Additions	758,234	228,389	52,511	794	1,039,928
Disposals	(255,767)	-	(76,449)	(417)	(332,633)
At end of year	8,624,667	1,928,389	197,088	44,441	10,794,585
Depreciation					
At beginning of year	4,955,247	289,069	164,939	19,465	5,428,720
Charge for year	868,696	97,213	29,881	7,030	1,002,820
On disposals	(155,645)	-	(75,158)	(417)	(231,220)
At end of year	5,668,298	386,282	119,662	26,078	6,200,320
Net book value					
At 30 April 2013	2,956,369	1,542,107	77,426	18,363	4,594,265
At 30 April 2012	3,166,953	1,410,931	56,087	24,599	4,658,570

The net book value of plant and machinery held under hire purchase and finance lease contracts is £nil (2012 £nil)

11 Stocks

	2013 £	2012 £
Raw materials	2,965,063	3,403,997
Finished goods and goods held for resale	4,777,315	5,540,883
	7,742,378	8,944,880

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

Notes (continued)

12 Debtors

	2013 £	2012 £
Trade debtors	4,319,360	5,662,267
Amounts owed by group undertakings	2,547,716	1,664,489
Other debtors	65,575	88,973
Deferred tax assets (see below)	1,135,356	984,201
Prepayments and accrued income	144,057	149,304
	<u>8,212,064</u>	<u>8,549,234</u>

Deferred taxation

	£
At beginning of year	984,201
Credit to the profit and loss for the year	151,155
	<u>1,135,356</u>
At end of year	<u>1,135,356</u>

The elements of deferred taxation are as follows

	2013 £	2012 £
Difference between accumulated depreciation and capital allowances	1,097,995	962,123
Other timing differences	35,830	20,376
Pension costs	1,531	1,702
	<u>1,135,356</u>	<u>984,201</u>

13 Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	2,756,592	3,465,111
Amounts owed to group undertakings	4,369,999	6,441,393
Taxation and social security	1,304,308	1,632,273
Other creditors	944,375	836,663
Accruals and deferred income	915,854	703,478
	<u>10,291,128</u>	<u>13,078,918</u>

Notes (continued)

14 Provision for liabilities

	Dilapidation provision £
At beginning of year	-
Arising during the year	126,247
	<hr/>
At end of year	126,247
	<hr/>

The dilapidation provision relates to the estimated costs of restoring the newly leased premises of the company to their original condition on termination of the lease agreements. Estimated dilapidation costs, arising on the fit out of the newly leased premises, have been capitalised and included within tangible fixed assets. The actual amount of dilapidation costs will be determined following lease termination and settlement with the landlord, and as such the timing and value of the transfer of economic benefits required to settle the obligation have been determined based on the directors' best estimate at the balance sheet date.

15 Called up share capital

	2013 £	2012 £
<i>Allotted, called up and fully paid</i>		
954,000 Ordinary shares of £1 each	954,000	954,000
7,835,000 Redeemable deferred ordinary shares of £1 each	7,835,000	7,835,000
	<hr/>	<hr/>
	8,789,000	8,789,000
	<hr/>	<hr/>
Shares classified in shareholders' funds	8,789,000	8,789,000
	<hr/>	<hr/>

The redeemable deferred ordinary shares rank *pari passu* with the ordinary shares in all respects and may only be redeemed, at par, at any time by the company giving three months notice to the shareholder.

16 Reserves – profit and loss account

	2013 £	2012 £
Profit for the financial year	1,005,689	1,099,657
Credit in relation to share based payments	-	(29,415)
Dividends on shares classified in shareholders' funds	(1,075,000)	(2,400,000)
	<hr/>	<hr/>
Net reduction in reserves	(69,311)	(1,329,758)
Opening reserves	2,612,658	3,942,416
	<hr/>	<hr/>
Closing reserves	2,543,347	2,612,658
	<hr/>	<hr/>

Notes (continued)

17 Commitments

Annual commitments under non-cancellable operating leases are as follows

	2013		2012	
	Buildings £	Other £	Buildings £	Other £
Operating leases which expire				
Within one year	-	6,528	73,617	3,584
In the second to fifth years inclusive	-	39,789	-	30,577
Over five years	312,514	-	211,000	-
	<u>312,514</u>	<u>46,317</u>	<u>284,617</u>	<u>34,161</u>

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 which closed to future accrual on 30 April 2009 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 2012.

Following closure to future accrual contributions have been made to the replacement stakeholder scheme. Contributions in the year amounted to £89,764 (2012 £87,282). In addition the company contributes to defined pension contribution plans for certain employees. Contributions for the year ended 30 April 2013 amounted to £62,795 (2012 £66,331).

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 defined benefits scheme on a consistent and reasonable basis. The latest valuation of the scheme shows a deficit of £33,538,000 (2012 £33,112,000).

19 Financial instruments

At 30 April 2013 the company had open forward exchange contracts totalling £157,218 (2012 £9,181,949). The fair value of these contracts at 30 April 2013 was a liability of £14,211 (2012 £3,062 liability). These fair values have not been included in these financial statements as the company has not adopted the fair value measurement rules available as an option under UK GAAP.

20 Employee share schemes

The Zumtobel Group has a share-based compensation programme for key managers, the Matching Stock Programme (MSP) up to 30 April 2012. This programme was terminated at the end of the 2011/12 financial year and replaced by a cash-based long-term incentive programme in 2012/13. A stock option programme (SOP) was also in effect up to 2008. These share options are over the shares of Zumtobel AG, the ultimate parent entity.

The fair value of options granted is recognised as an employee expense with a corresponding increase in equity.

SOP (Stock Option Programme)

The Zumtobel Group had a share-based compensation programme from 2004 to 2008, the Stock Option Programme (SOP), which was replaced by the MSP in 2008. Options are no longer granted under the SOP, but the exercise period is open until 2015. This exercise period contains a number of exercise slots, whereby the company has reserved the right to close the exercise periods prematurely. Each option carries the right to purchase one share at a fixed price.

Notes (continued)

20 Employee share schemes (continued)

MSP (Matching Stock Programme)

The MSP was introduced in connection with the initial public offering of Zumtobel AG on 1 May 2006. In order to participate in the MSP, an eligible manager was required to deposit a certain number of shares ("MSP shares") in blocked deposit, these shares represented the individual investment. The maximum total investment by the key managers in the MSP was limited to EUR 2.2 million. The MSP was divided into three individual programmes (MSP I, MSP II, MSP III), whereby each individual programme was subdivided into five segments. The term of each programme equalled seven years beginning on the starting date, while the terms of the individual segments equalled two years.

Each segment granted to the key managers comprised eight-times the value of the shares invested in the respective programme. This multiplied value was credited to a bank account opened for the participants in the form of so-called phantom shares, and a base price (60-day average share price on the date of granting + 10%) was assigned. The options were granted at the beginning of the financial year. They were exercised automatically two years after granting, whereby the base price of the segment was compared with the 60-day average share price (strike price) on the exercise date. The difference multiplied by the number of phantom shares represented the MSP gross profit. This profit was used to purchase shares at the strike price, which were credited to the managers. If the increase in value was less than or equals zero, no shares are granted. The managers were able to dispose freely over the shares after a waiting period of two years.

All claims from the MSP (with the exception of claims by employees leaving the company) were settled by the end of the 2011/12 financial year. The payments made for these settlements were recorded under personnel expenses in the prior year. The final tranche, which was scheduled for May 2012, was not allocated. The Matching Stock Programme was replaced by a cash-based long-term incentive programme in 2012/13.

The SOP and MSP options are/were not transferrable. There was no retention period for shares purchased with SOP options, but a retention period of two years applied to the MSP.

Share options at 30 April 2013

	Number 2013	Number 2012	2013 £	2012 £
SOP	-	-	42,979	42,979
MSP	-	-	-	-

The options are valued in accordance with the Black-Scholes model. The major parameters are as follows:

- Market price per share: EUR 8.50 (2011/12: EUR 24.30)
- Exercise price SOP: EUR 7.50 for eligible participants FY 03/04, EUR 11.55 and 14.22 FY 04/05, EUR 16.60 FY 05/06 and FY 06/07
- Expected volatility: 39.15% (2011/12: 36.40%) per year
- Term: SOP up to 30 April 2015
- Risk-free interest rate: 0.5% per year (2011/12: 2.359% per year)

The expected volatility is based on the basis of the historical volatility over the past two years.

The total charge recognised during the year in relation to share based payments was £nil (2012: £29,415 credit).

21 Parent and controlling undertaking

The immediate parent and controlling undertaking is Tridonic 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, Hochsterstrasse 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 100% of the voting rights are controlled within the group.