Tridonic UK Limited

Annual report and financial statements

Registered number 887600

30 April 2014

Contents

Strategic report

The directors present their strategic report for the year ended 30 April 2014.

Principal activities

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

Business model

The primary routes to market are through OEM (Original Equipment Manufacturer), Wholesale and Distribution channels. The OEM channel constitutes the most significant proportion of sales. Tridonic deploys a Key Account Management strategy to ensure effective coverage and prioritisation of target accounts.

To support OEM market penetration Tridonic has developed a segment approach with primary focus on Retail, Hospitality, Office and Education. This model is designed to ensure a full understanding of the specific needs of the end user customers from a lighting specification stand point and from an energy efficiency and performance perspective. The product development roadmap is therefore aligned with the specific market need.

Continued product and portfolio development to provide efficient and current solutions is reflected in the shift from conventional lighting control technologies to LED based products and the expansion of the product range particularly with light sources.

Business review

Performance

The company's profit for the year after taxation amounted to £4,706,913 *(2013: £1,005,689).*

The shift from conventional lighting control technologies to LED based solutions has contributed to the company's success in the year. This has been driven by the expansion of the Tridonic portfolio, particularly in the light sources range, and has been further stimulated by the increased demand within the retrofit market where the energy savings generated by LED has been the major business driver particularly adopted in the retail sector. Furthermore, the cessation of production and sale of magnetic components and the move to LED based products led to an increase in lighting project business. The improved performance was also assisted by the general improvement in the UK economy and the drive for more energy efficient products in the lighting market. Gross profit improved not only due to the product shift during the period but also due to maintaining strong cost control.

Whilst the majority of the focus and investment is with the LED products the electronic components business is still a significant part of the company performance.

The accelerated rate of new product development within the LED range puts an increased focus on R&D resource both from a competency and a cost perspective. To support the transition into new markets and technologies the business has invested in people both by training existing staff and recruitment of new staff where appropriate.

Measurement

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

	2014	2013
Turnover	**£73,221,678**	£62,714,524
Percentage change from prior year	*16.8%*	*(4.9)%*
Gross profit	**£9,776,249**	£4,889,863
Gross profit as a percentage of turnover	*13.4%*	*7.8%*
Inventories	**£9,817,701**	£7,742,378
Trade receivables from third parties	**£4,828,312**	£4,319,360
Trade payables to third parties	**£(4,235,765)**	£(2,756,592)
Working capital	**£10,410,248**	£9,305,146
Working capital as a percentage of turnover	*14.2%*	*14.8%*

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

Strategic report *(continued)*

Business review *(continued)*

Principal risks and uncertainties

The company is exposed to financial risk through its financial assets and liabilities. It is also exposed to product lifecycle and product shift changes.

The primary product risks are due to potential market saturation in the LED product market leading to commoditisation and lower prices. As new lighting technologies move forward the reduction in volumes of traditional products is a further risk. Additionally due to the speed of the development cycle there is a higher risk of inventory obsolescence for previous generation products. Having identified these risks they are subject to increased scrutiny by supply chain management.

The company continues to make significant investment in the development of new, value add products, to mitigate the impact of the risks indicated above.

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).

Future developments

The market continues to shift away from existing electronic based lighting components towards newer LED based lighting solutions. This trend is expected to increase as the industry seeks to provide ever more energy and cost efficient solutions.

By order of the board

R C Strode
Director

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

24 March 2015

Directors' report

The directors present their directors' report and financial statements for the year ended 30 April 2014.

Proposed dividend

Dividends paid during the year comprise an interim dividend in respect of the year ended 30 April 2014 of £870,000. The directors do not recommend the payment of a final dividend.

Directors

The directors who held office during the year were as follows:

G A Brydon	(resigned 30 January 2014)
P Novak	(resigned 30 January 2014)
R C Strode	(appointed 30 January 2014)
D Barnby	(appointed 30 January 2014)

Political contributions

During the year the company made no political donations or incurred any political expenditure during the year *(2013: £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 they ought to have taken as a director to make themselves 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

NFJ Dew

N F J Dew
Company Secretary

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

24 March 2015

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

The directors are responsible for preparing the Strategic Report, 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 2014 set out on pages 7 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 4, 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 2014 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 Strategic Report and 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

24 March 2015

Profit and Loss Account

for the year ended 30 April 2014

	Note	2014 £	2013 £
Turnover	*1, 2*	**73,221,678**	62,714,524
Cost of sales		**(63,445,429)**	(57,824,661)
Gross profit		**9,776,249**	4,889,863
Distribution costs		**(696,780)**	(659,638)
Administrative expenses		**(2,726,313)**	(2,771,773)
Other operating income		**41,794**	107,637
Operating profit		**6,394,950**	1,566,089
Interest receivable	*6*	**910**	674
Interest payable	*7*	**(63,266)**	(83,229)
Profit on ordinary activities before taxation	*3-5*	**6,332,594**	1,483,534
Tax on profit on ordinary activities	*8*	**(1,625,681)**	(477,845)
Profit for the financial year	*16*	**4,706,913**	1,005,689

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 2014

	Note	2014		2013	
		£	£	£	£
Fixed assets					
Tangible assets	*10*		**4,390,284**		4,594,265
Current assets					
Stocks	*11*	**9,817,701**		7,742,378	
Debtors	*12*	**9,920,439**		8,212,064	
Cash at bank and in hand		**1,519,255**		1,201,015	
		21,257,395		17,155,457	
Creditors: amounts falling due within one year	*13*	**(10,352,172)**		(10,291,128)	
Net current assets			**10,905,223**		6,864,329
Total assets less current liabilities			**15,295,507**		11,458,594
Provisions for liabilities	*14*		**(126,247)**		(126,247)
Net assets			**15,169,260**		11,332,347
Capital and reserves					
Called up share capital	*15*		**8,789,000**		8,789,000
Profit and loss account	*16*		**6,380,260**		2,543,347
Shareholders' funds			**15,169,260**		11,332,347

These financial statements were approved by the board of directors on 24 March 2015 and were signed on its behalf by:

R C Strode
Director

Company registered number: 887600

Reconciliation of Movements in Shareholders' Funds
for the year ended 30 April 2014

	2014	2013
	£	£
Profit for the financial year	**4,706,913**	1,005,689
Dividends on shares classified in shareholders' funds	**(870,000)**	(1,075,000)
Net increase/(reduction) to shareholders' funds	**3,836,913**	(69,311)
Opening shareholders' funds	**11,332,347**	11,401,658
Closing shareholders' funds	**15,169,260**	11,332,347

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 Group 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 Strategic Report. The company has net assets of £15.2 million at the year end and recorded a profit for the year of £4.7 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)*

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

	2014	2013
	£	**£**
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation of tangible fixed assets:		
Owned	**1,062,131**	1,002,820
Operating lease rentals:		
Equipment	**60,103**	57,432
Buildings	**317,648**	313,730
Research and development expenditure	**2,211,410**	2,404,141
Loss/(profit) on disposal of tangible fixed assets	**5,228**	(3,780)

Auditor's remuneration:

	2014	2013
	£	**£**
Audit of these financial statements	**22,271**	21,715
Amounts receivable by the auditor and its associates in respect of:		
Other assurance services	**3,538**	3,452

4 Remuneration of directors

	2014	2013
	£	**£**
Directors' emoluments	**37,319**	259,174
Company contributions to money purchase pension schemes	**13,385**	26,345
Attributable to the highest paid director:		
Director's emoluments	**37,319**	259,174
Company contributions to money purchase pension schemes	**-**	-

Retirement benefits are accruing to one director *(2013: one)* 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	
	2014	2013
Warehouse	**5**	4
Selling	**7**	7
Production	**114**	102
Development	**29**	36
Administration/technical	**14**	14
Finance	**5**	5
	174	168

The aggregate payroll costs of these persons were as follows:

	2014	2013
	£	£
Wages and salaries	**4,961,372**	5,010,535
Social security costs	**490,468**	483,597
Pension costs (note 18)	**141,544**	152,559
	5,593,384	5,646,691

6 Interest receivable

	2014	2013
	£	£
Bank interest receivable	**27**	413
Interest receivable from group undertakings	**883**	261
	910	674

7 Interest payable

	2014	2013
	£	£
On bank loans and overdrafts	**54,134**	61,726
Interest payable to group undertakings	**9,132**	21,503
	63,266	83,229

Notes *(continued)*

8 Taxation

Analysis of charge in period

	2014		2013	
	£	£	£	£
UK corporation tax				
Current tax on income for the period		-		-
Group relief payable in the current year		**1,352,000**		629,000
Total current tax		**1,352,000**		629,000
Deferred tax (see note 12)				
Origination and reversal of timing differences	**145,427**		(205,187)	
Effect of reduction in tax rate	**130,270**		48,678	
Adjustment in respect of previous year	**(2,016)**		5,354	
Total deferred tax		**273,681**		(151,155)
Tax on profit on ordinary activities		**1,625,681**		477,845

For the year ended 30 April 2014, the company was subject to UK corporation tax at a rate of 23% during the 11 months to 31 March 2014 and 21% from 1 April 2014 to 30 April 2014, giving an average rate for the year of 22.84% *(2013: 23.92%).*

Factors affecting the tax charge for the current period

The current tax charge for the period is lower *(2013: higher)* than the standard rate of corporation tax in the UK, 22.84% *(2013: 23.92%).* The differences are explained below.

	2014	2013
	£	£
Current tax reconciliation		
Profit on ordinary activities before tax	**6,332,594**	1,483,534
Current tax at 22.84% *(2013: 23.92%)*	**1,446,364**	354,861
Effects of:		
Expenses not deductible for tax purposes	**51,063**	68,952
Capital allowances for period lower than depreciation	**(150,905)**	206,274
Other short term timing differences	**5,478**	(1,087)
Group relief claimed	**1,352,000**	629,000
Payment for group relief	**(1,352,000)**	(629,000)
Total current tax charge (see above)	**1,352,000**	629,000

Factors that may affect future current and total tax charges

The main rate of UK corporation tax changed from 23% to 21% with effect from 1 April 2014. The Chancellor has also proposed changes to further reduce the main rate of corporation tax by one per cent to 20% by 1 April 2015. These changes were enacted in July 2013 and therefore the effect of these rate reductions on the deferred tax balances as at 30 April 2014 has been included in the figures above.

Notes *(continued)*

9 Dividends

The aggregate amount of dividends comprises:

	2014	2013
	£	£
Interim dividends paid in respect of the current year	**870,000**	1,075,000

The aggregate amount of dividends proposed and not recognised as liabilities as at the year end is £nil *(2013: £nil).*

10 Tangible fixed assets

	Plant and machinery	Building fit out	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£
Cost					
At beginning of year	8,624,667	1,928,389	197,088	44,441	10,794,585
Additions	836,306	-	13,798	18,524	868,628
Disposals	(195,906)	-	(1,360)	(465)	(197,731)
At end of year	9,265,067	1,928,389	209,526	62,500	11,465,482
Depreciation					
At beginning of year	5,668,298	386,282	119,662	26,078	6,200,320
Charge for year	901,122	117,677	33,027	10,305	1,062,131
On disposals	(185,428)	-	(1,360)	(465)	(187,253)
At end of year	6,383,992	503,959	151,329	35,918	7,075,198
Net book value					
At 30 April 2014	**2,881,075**	**1,424,430**	**58,197**	**26,582**	**4,390,284**
At 30 April 2013	2,956,369	1,542,107	77,426	18,363	4,594,265

The net book value of plant and machinery held under hire purchase and finance lease contracts is £nil *(2013: £nil).*

11 Stocks

	2014	2013
	£	£
Raw materials	**4,232,335**	2,965,063
Finished goods and goods held for resale	**5,585,366**	4,777,315
	9,817,701	7,742,378

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

Notes *(continued)*

12 Debtors

	2014 £	2013 £
Trade debtors	**4,828,312**	4,319,360
Amounts owed by group undertakings	**4,012,142**	2,547,716
Other debtors	**49,811**	65,575
Deferred tax assets (see below)	**861,675**	1,135,356
Prepayments and accrued income	**168,499**	144,057
	9,920,439	8,212,064

Deferred taxation

	£
At beginning of year	1,135,356
Charge to the profit and loss for the year	(273,681)
At end of year	**861,675**

The elements of deferred taxation are as follows:

	2014 £	2013 £
Difference between accumulated depreciation and capital allowances	**824,390**	1,097,995
Other timing differences	**35,697**	35,830
Pension costs	**1,588**	1,531
	861,675	1,135,356

13 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	**4,235,765**	2,756,592
Amounts owed to group undertakings	**1,825,740**	4,369,999
Taxation and social security	**1,704,901**	1,304,308
Other creditors	**1,281,809**	944,375
Accruals and deferred income	**1,303,957**	915,854
	10,352,172	10,291,128

Notes *(continued)*

14 Provision for liabilities

	Dilapidation provision £
At beginning and end of year	**126,247**

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

	2014 £	2013 £
Allotted, called up and fully paid		
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
	8,789,000	8,789,000
Shares classified in shareholders' funds	**8,789,000**	8,789,000

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

	2014 £	2013 £
Profit for the financial year	**4,706,913**	1,005,689
Dividends on shares classified in shareholders' funds	**(870,000)**	(1,075,000)
Net increase/(reduction) in reserves	**3,836,913**	(69,311)
Opening reserves	**2,543,347**	2,612,658
Closing reserves	**6,380,260**	2,543,347

Notes *(continued)*

17 Commitments

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

	2014		2013	
	Buildings	**Other**	Buildings	Other
	£	**£**	£	£
Operating leases which expire:				
Within one year	-	-	-	6,528
In the second to fifth years inclusive	-	**40,755**	-	39,789
Over five years	**335,281**	-	312,514	-
	335,281	**40,755**	312,514	46,317

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 £91,424 *(2013: £89,764)*. In addition the company contributes to defined pension contribution plans for certain employees. Contributions for the year ended 30 April 2014 amounted to £50,120 *(2013: £62,795)*.

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 £33,677,000 *(2013: £33,538,000)*.

19 Financial instruments

At 30 April 2014 the company had open forward exchange contracts totalling £928,435 *(2013: £157,218)*. The fair value of these contracts at 30 April 2014 was a liability of £35,071 *(2013: £14,211 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 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 Group AG, a company incorporated in Austria. A copy of these financial statements can be obtained from Zumtobel Group 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 100% of the voting rights are controlled within the group.