

300100

# **Crompton Lighting Holdings Limited**

## **Report and Financial Statements**

31 December 2005



# Crompton Lighting Holdings Limited

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Registered No: 3002225

## **Directors**

T V Helz  
P W Maxwell  
G D Smith  
G L Gawronski

## **Secretary**

T V Helz

## **Auditors**

Ernst & Young LLP  
No. 1 Colmore Square  
Birmingham  
B4 6HQ

## **Registered office**

100 New Bridge Street  
London  
EC4V 6JA

## Directors' report

The directors present their report and financial statements for the year ended 31 December 2005.

### Results and dividends

The profit for the year amounted to £12,710,000. Ordinary dividends of £9,435,000 were paid during the year. Preference dividends were not paid nor are proposed.

### Principal activities and review of the business

The company acts as a holding company for its wholly owned subsidiaries. The company has not traded during the year.

### Directors

The directors who served the company during the year were as follows:

L Thomasson (resigned 15 February 2006)

T V Helz

P W Maxwell

J E Scrimshaw (resigned 30 June 2006)

There are no directors' interests requiring disclosure under the Companies Act 1985.

Subsequent to the year end the following were appointed as directors of the company: G D Smith (appointed 1 July 2006) and G L Gawronski (appointed 1 July 2006).

### Auditors

Ernst & Young LLP will be reappointed as the company's auditor in accordance with the elective resolution passed by the company under section 386 of the Companies Act 1985.

On behalf of the board



G D Smith

Director

30 October 2006

## **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the financial statements in accordance with applicable United Kingdom Law and United Kingdom Generally Accepted Accounting Practice.

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 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; 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 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 Crompton Lighting Holdings Limited**

We have audited the company's financial statements for the year ended 31 December 2005 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

The directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and 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.

## **Independent auditors' report**

**to the members of Crompton Lighting Holdings Limited (continued)**

### **Opinion**

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 31 December 2005 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



Ernst & Young LLP  
Registered Auditor  
Birmingham

*31 October* 2006

## Profit and loss account

for the year ended 31 December 2005

|  | Notes | 2005<br>£000 | 2004<br>£000 |
|--|-------|--------------|--------------|
| <b>Turnover</b>                                      |       | —            | —            |
| Administrative expenses                              |       | —            | —            |
| <b>Operating profit</b>                              |       | —            | —            |
| Income from shares in group undertakings             | 3     | 12,710       | —            |
| <b>Profit on ordinary activities before taxation</b> |       | 12,710       | —            |
| Tax on profit on ordinary activities                 | 4     | —            | —            |
| <b>Profit for the financial year</b>                 |       | 12,710       | —            |

## Statement of total recognised gains and losses

There are no recognised gains or losses other than the profit of £12,710,000 attributable to the shareholders for the year ended 31 December 2005 (2004 - profit of £nil).

**Balance sheet**

at 31 December 2005

|   | Notes | 2005<br>£000 | 2004<br>£000 |
|---|-------|--------------|--------------|
| <b>Fixed assets</b>                                   |       |              |              |
| Investments   | 6     | 12,180       | 12,180       |
| <b>Current assets</b>                                 |       |              |              |
| Debtors   | 7     | –            | 14,884       |
| <b>Creditors:</b> amounts falling due within one year | 8     | 185          | 18,344       |
| <b>Net current liabilities</b>                        |       | (185)        | (3,460)      |
| <b>Total assets less current liabilities</b>          |       | 11,995       | 8,720        |
| <b>Capital and reserves</b>                           |       |              |              |
| Called up share capital                               | 9     | 501          | 501          |
| Share premium account                                 | 10    | 7,603        | 7,603        |
| Capital Redemption Reserve                            | 10    | 88           | 88           |
| Profit and loss account                               | 10    | 3,803        | 528          |
|   |       | 11,995       | 8,720        |
| Shareholders' funds:                                  | 10    |              |              |
| Equity  |       | 3,661        | 386          |
| Non-equity  |       | 8,334        | 8,334        |
|   |       | 11,995       | 8,720        |


G D Smith  
Director

30 October 2006



# Notes to the financial statements

at 31 December 2005

## 1. Accounting policies

### *Basis of preparation*

The financial statements are prepared under the historical cost convention.

### *Cash flow statement*

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements.

### *Related parties transactions*

The company is a wholly owned subsidiary of Cooper Industries (UK) Limited, the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the Cooper Industries (UK) Limited group.

### *Fixed assets*

All fixed assets are initially recorded at cost.

### *Group accounts*

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual and not about its group.

## 2. Staff costs

No salaries or wages have been paid to employees, including the directors, during the year.

## 3. Income from shares in group undertakings

|                                | 2005<br>£000 | 2004<br>£000 |
|--------------------------------|--------------|--------------|
| Income from group undertakings | 12,710       | —            |

## 4. Taxation on ordinary activities

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

|                               | 2005<br>£ | 2004<br>£ |
|-------------------------------|-----------|-----------|
| <i>Current tax:</i>           |           |           |
| UK corporation tax            | —         | —         |
| Total current tax (note 4(b)) | —         | —         |

## Notes to the financial statements

at 31 December 2005

### 4. Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30%.

The differences are reconciled below:

|  | 2005<br>£ | 2004<br>£ |
|--|-----------|-----------|
| Profit on ordinary activities before taxation  | 12,710    | -         |
| Profit on ordinary activities multiplied by the standard rate of corporation<br>Tax in the UK of 30% | 3,813     | -         |
| Non-taxable income   | (3,813)   | -         |
| Total current tax (note 4(a))  | -         | -         |

### 5. Dividends

|                                      | 2005<br>£000 | 2004<br>£000 |
|--------------------------------------|--------------|--------------|
| Equity dividends on ordinary shares: |              |              |
| Equity dividend paid                 | 9,435        | -            |

### 6. Investments

|  | Shares in group<br>companies<br>£000 |
|--|--------------------------------------|
| Cost:                                  |                                      |
| At 1 January 2005 and 31 December 2005 | 13,710                               |
| Amounts provided:                      |                                      |
| At 1 January 2005 and 31 December 2005 | 1,530                                |
| Net book value:                        |                                      |
| At 1 January 2005 and 31 December 2005 | 12,180                               |

## Notes to the financial statements

at 31 December 2005

### 6. Investments (continued)

| <i>Name of company</i>                  | <i>Country of incorporation</i> | <i>Principal activity</i>                             | <i>Proportion of voting rights and shares held</i> |
|---|---------------------------------|---|--|
| Cooper Lighting and Security Limited    | England                         | Manufacture of lighting and fire protection equipment | 100%   |
| Ragtrell Limited                        | England                         | Dormant   | 100%   |
| Crompton Lighting International Limited | England                         | Dormant   | 100%   |
| Crompton Lighting Investments Limited*  | England                         | Dormant   | 100%   |

\*Held indirectly through Crompton Lighting International Limited.

### 7. Debtors

|                                    | <i>2005</i><br><i>£000</i> | <i>2004</i><br><i>£000</i> |
|------------------------------------|----------------------------|----------------------------|
| Amounts owed to group undertakings | —                          | 14,884                     |

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

|                                    | <i>2005</i><br><i>£000</i> | <i>2004</i><br><i>£000</i> |
|------------------------------------|----------------------------|----------------------------|
| Amounts owed to group undertakings | —                          | 18,159                     |
| Other taxation and social security | 185                        | 185                        |
|                                    | <u>185</u>                 | <u>18,344</u>              |

### 9. Share capital

|   | <i>2005</i><br><i>£000</i> | <i>Authorised</i><br><i>2004</i><br><i>£000</i> |
|---|----------------------------|---|
| Ordinary shares of £1 each                            | 250                        | 250   |
| "A" ordinary shares of £1 each                        | 260                        | 260   |
| Cumulative redeemable preference shares of £0.01 each | 79                         | 79  |
|   | <u>589</u>                 | <u>589</u>                                      |

## Notes to the financial statements

at 31 December 2005

### 9. Share capital (continued)

|  |            | <i>Allotted, called up and fully paid</i> |            |                            |
|--|------------|---|------------|----------------------------|
|  | <i>No.</i> | <i>2005</i><br><i>£000</i>                | <i>No.</i> | <i>2004</i><br><i>£000</i> |
| Ordinary shares of £1 each                               | 162,000    | 162                                       | 162,000    | 162                        |
| "A" ordinary shares of £1 each                           | 260,000    | 260                                       | 260,000    | 260                        |
| Cumulative redeemable preference shares<br>of £0.01 each | 7,939,800  | 79  | 7,939,800  | 79                         |
|  |            | <hr/> 501                                 |            | <hr/> 501                  |

The rights attaching to each class of share are summarised below.

#### **Dividends**

The holders of the cumulative redeemable preference shares are entitled to a fixed cumulative net cash dividend in respect of each share held payable in half yearly instalments on 31 March and 1 October of each year. A dividend of 10 pence per share is payable in respect of each year to 29 February.

The holders of the "A" ordinary shares are entitled, as a class of shares, to a cumulative preferential net cash dividend of a sum which is equal to a certain percentage of the consolidated net profit, as adjusted for exceptional items and the application of Financial Reporting Standard 4, of the company and its subsidiaries for the year. This dividend is payable annually at the earlier of 30 June and 14 days after the company's auditors have signed their audit report. The relevant percentages to be applied to the company's results for determining this element of the dividend are as follows:

| <i>Year ending</i>                        | <i>Percentage</i> |
|---|-------------------|
| 28 February 2001                          | 10                |
| 28 February 2002                          | 10                |
| 28 February 2003 and each year thereafter | 15                |

In addition, the amount of dividend payable in respect of the "A" ordinary shares is increased in the event of a payment of a dividend to the ordinary shareholders in excess of the relevant participating percentage.

No dividend may be paid or declared in respect of the ordinary shares in any financial year of the company unless all dividends due to the holders of the cumulative redeemable preference shares and the "A" ordinary shares have been paid and all cumulative redeemable preference shares have been redeemed. In addition, no dividend payments may be made or proposed which would cause the profits of the company available for distribution to be less than £50,000.

#### **Redemption**

The cumulative redeemable preference shares are redeemable at £1 per share together with a sum equal to any arrears or accruals of the dividends on these shares at the following dates:

| <i>Redemption date</i> | <i>No. of shares redeemable</i> |
|------------------------|---------------------------------|
| 28 February 2002       | 400,000                         |
| 28 February 2003       | 1,200,000                       |
| 28 February 2004       | 3,170,000                       |
| 28 February 2005       | 3,169,800                       |

## Notes to the financial statements

at 31 December 2005

### 9. Share capital (continued)

#### *Priority on winding up*

The priority and amounts receivable of each class of share upon winding up are as follows:

First in paying to the holders of the cumulative redeemable preference shares £1 per share together with a sum equal to any arrears or accruals of the dividends on these shares calculated down to the date of the return of capital;

Second in paying to the holders of "A" ordinary shares £1 per share together with a sum equal to any arrears or accruals of the dividends on the "A" ordinary shares calculated down to the date of the return of capital;

Third in paying to the holders of ordinary shares £1 per share, together with a sum equal to any arrears or accruals of dividends declared but not paid on the ordinary shares down to the date of return of capital; and

The balance of such assets shall be distributed amongst the holders of the "A" ordinary shares and ordinary shares (pari passu as if they constituted one class of share) in proportion to the amounts paid up or credited as paid up on the "A" ordinary shares and ordinary shares held by them respectively. The number of "A" ordinary shares eligible to participate in any distribution shall be calculated with reference to the return achieved by the holder of the shares on its total investment in the company, including the "A" ordinary shares, the cumulative redeemable preference shares and certain loan notes.

#### *Voting rights*

In the event of a poll each "A" ordinary share and each ordinary share held entitles the holder to one vote.

#### *Dividend waiver*

Following the acquisition of the company's parent undertaking in October 1999, the holders of all classes of the company's shares have agreed to waive all dividend entitlements for the year to 31 December 2005.

### 10. Reconciliation of shareholders' funds and movement on reserves

|   | <i>Share capital</i> | <i>Share premium account</i> | <i>Capital redemption reserve</i> | <i>Profit and loss account</i> | <i>Total share-holders' funds</i> |
|---|----------------------|------------------------------|-----------------------------------|--------------------------------|-----------------------------------|
|   | <i>£000</i>          | <i>£000</i>                  | <i>£000</i>                       | <i>£000</i>                    | <i>£000</i>                       |
| At 1 January 2004 and at 31 December 2004 | 501                  | 7,603                        | 88                                | 528                            | 8,720                             |
| Profit for the year                       | —                    | —                            | —                                 | 12,710                         | 12,710                            |
| Dividends                                 | —                    | —                            | —                                 | (9,435)                        | (9,435)                           |
| At 31 December 2005                       | 501                  | 7,603                        | 88                                | 3,803                          | 11,995                            |

### 11. Ultimate parent company

The company's immediate parent undertaking is Broomco (1644) Limited, a company registered in England and Wales.

The parent undertaking of the smallest group of which the company is a member and for which group financial statements are prepared is Cooper Industries (UK) Limited a company registered in England and Wales. Copies of these financial statements are available from Jephson Court, Tancred Close, Royal Leamington Spa, CV31 3RZ, England. In the directors' opinion the company's ultimate parent undertaking is Cooper Industries Limited, which is incorporated in Bermuda and listed on the New York stock exchange. Copies of its group financial statements are also available from Jephson Court, Tancred Close, Royal Leamington Spa, CV31 3RZ, England.