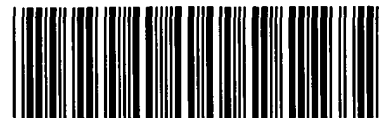


ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

COMPANY INFORMATION

Directors	S Krishnan (resigned 29 April 2019) S M Toney (appointed 1 April 2019) R J Morris (resigned 29 April 2019) P C Croker (appointed 20 December 2018)
Registered number	03070525
Registered office	c/o Venture Lighting Europe Limited Trinity Court Batchworth Island, Church Street Rickmansworth WD3 1RT
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1 Holly Street Sheffield South Yorkshire S1 2GT
Bankers	Barclays Bank Plc

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

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ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors present their Strategic Report for the year ended 31 March 2019.

Introduction

Advanced Lighting Technologies Europe Limited ("the group") is a long-established global brand, recognised worldwide for our legacy lamp and ballast systems and in more recent years our established range of LED luminaire and control solutions. We see the future of lighting firmly placed in our ability to innovate, providing our clients with solutions that continually push the boundaries of what can be achieved with lighting as technology.

Our ability to create a culture that fosters innovation, creativity, collaboration and a winning mentality, which is centred around our people and our values, remains our most valuable asset.

Our ultimate objective is to drive profitable and sustainable growth through our primary activities of providing our customers with quality LED lighting solutions, for key applications in the Industrial and Commercial and Exterior Sectors. This will allow to successfully navigate the continued decline of our HID product offering.

Currently, the primary risks faced by the group is our exposure to fluctuations in foreign currency, mainly Pound Sterling: US dollar. To mitigate this threat, we will continue to focus on profitable sectors where we are best placed for growth opportunities, supported by a global supply chain activity that will continue to improve our organisational performance through driving efficiency and responsiveness.

Business review

2019 represented a significant year of further transition for the group, with continued decline of our legacy HID products, impacting on our top line sales, as well as a decline in our LED domestic lamp business due to market pressure on price points. As a result, the decision was taken to exit this LED lamp market as well as some other underperforming categories, in order to re-focus all efforts on our core luminaire range in the sectors we are well known for. Additionally, during the second half of the year our business underwent a change in leadership, both at group level within our parent company ADLT and within our UK business during the final quarter of the financial year. This change in leadership represents a new era for the Venture Lighting brand, with an invigorated appetite and vision for success in a challenging and disruptive marketplace.

Our UK assembly lines continued to grow from strength to strength as our product range proliferates with build to order and configure to order options, in order to meet the needs of our project client base and allowing us to differentiate in the marketplace. Furthermore, our extensive in-house testing capabilities, including a goniophotometer, integrated sphere and environmental chambers, have contributed significantly to both our product development initiatives and the trust we instil within our loyal customer base.

In the final quarter of the year our focus was both on the restructuring of personnel and our global supply chain activities as we positioned ourselves for profitable LED growth through the course of 2020. Speed to market and application specific product development and innovation are our principal priorities for the year ahead with a clear agenda to integrate smart lighting solutions into our portfolio of products.

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

Financial key performance indicators

Revenues decreased 16% from 2017/18 largely due to continued market decline of our HID products and underperforming LED lamp categories.

Our LED business represents 52% of total revenues compared with 48% last year, noting our Commercial and Exterior products recorded growth of 15% on last year's results.

Our LED Lamp range declined 22% on 2017/18 results, leading to an executive decision to exit this area of the market to re-focus all resources on luminaire and controls development.

For 2020 we are forecasting 30% growth on our core LED product groups with an expected overall split of 65% Led versus 35% HID.

Principal risks and uncertainties

The Group uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group's operations. The main risks arising from the group financial instruments are interest rate risk, liquidity risk and foreign currency risk. The directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous periods.

Interest rate risk

The group finances its operations through a mixture of retained profits and accounts held with financial institutions. The group's exposure to interest rate fluctuations on its borrowings is managed on a group basis, at the US parent level.

Liquidity risk


The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Primarily this is achieved through retained profits or through loans arranged with the US parent.

Currency risk

The group is exposed to transaction and translation foreign exchange risk. Transaction exposures are hedged when known by the US parent company, mainly using the forward hedge market.

This report was approved by the board on 2 December 2019 and signed on its behalf.

P C Croker
Director



ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

Principal activity

The Company operates principally as a holding company. The subsidiary Companies ("the Group") are principally engaged in the sale and marketing of High Intensity Discharge Lamps and LED lighting systems and the associated control systems and components.

Results and dividends

The loss for the year, after taxation, amounted to £427,643 (2018 - loss £1,433,496).

The directors do not recommend a dividend for the period (2018: £Nil).

Directors

The directors who served during the year were:

S Krishnan (resigned 29 April 2019)
R J Morris (resigned 29 April 2019)
P C Croker (appointed 20 December 2018)
S M Toney (appointed 1 April 2019)

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and profit or loss of the Group 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and may differ from legislation in other jurisdictions.

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

Future developments

The Group will continue to add to the existing LED range offered and expect to gain a greater share of the HID market, as it declines.

Post balance sheet events

There are no post balance sheet events to note.

Going concern

The directors have prepared profit and cash flow forecasts for the Company covering the period to 31 December 2020. The forecasts show that the Company has sufficient resources within its facilities for the foreseeable future.

The Group has significant borrowings and facilities from Advanced Lighting Technologies Inc, its ultimate parent, and other companies in the Group. The parent company has provided a formal parental guarantee that these loans will not be reclaimed unless the Company can repay them without affecting its status as a going concern.

Disclosure of information to auditor

The directors confirm that:

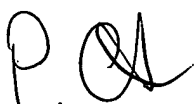
- so far as each director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 2 December 2019 and signed on its behalf.

P C Croker
Director





**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADVANCED LIGHTING TECHNOLOGIES
EUROPE LIMITED**

Opinion

We have audited the financial statements of Advanced Lighting Technologies Europe Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2019, which comprise the Consolidated Profit and loss account, the Consolidated Statement of comprehensive income, the Consolidated and Company Balance sheets, the Consolidated and Company Statement of changes in equity, the Consolidated Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2019 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADVANCED LIGHTING TECHNOLOGIES
EUROPE LIMITED (CONTINUED)**

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADVANCED LIGHTING TECHNOLOGIES
EUROPE LIMITED (CONTINUED)**

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

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.

Grant Thornton UK LLP

Peter Edwards
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Sheffield

2 December 2019

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £	2018 £
Turnover	4	21,089,130	25,816,142
Cost of sales		(14,762,576)	(19,498,839)
Gross profit		6,326,554	6,317,303
Distribution costs		(2,525,003)	(2,844,872)
Administrative expenses		(3,893,214)	(4,498,867)
Operating loss	5	(91,663)	(1,026,436)
Interest receivable and similar income	9	3,282	3,367
Interest payable and similar expenses	10	(286,750)	(417,886)
Loss before tax		(375,131)	(1,440,955)
Tax on loss	11	(52,512)	7,459
Loss for the financial year		(427,643)	(1,433,496)
Loss for the year attributable to:			
Owners of the parent		(427,643)	(1,433,496)
		(427,643)	(1,433,496)

The notes on pages 16 to 37 form part of these financial statements.

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
Loss for the financial year	(427,643)	(1,433,496)
Other comprehensive income		
Currency translation differences	651,226	(1,136,348)
Other comprehensive income for the year	651,226	(1,136,348)
Total comprehensive income for the year	223,583	(2,569,844)
(Loss) for the year attributable to:		
Owners of the parent Company	(427,643)	(1,433,496)
	(427,643)	(1,433,496)
Total comprehensive income attributable to:		
Owners of the parent Company	223,583	(2,569,844)
	223,583	(2,569,844)

The notes on pages 16 to 37 form part of these financial statements.

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED
REGISTERED NUMBER:03070525

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	69,246	96,215
Investments	14	1	1
		<u>69,247</u>	<u>96,216</u>
Current assets			
Stocks	15	4,141,146	5,395,549
Debtors	16	18,371,678	18,986,382
Cash at bank and in hand	17	1,273,422	1,771,700
		<u>23,786,246</u>	<u>26,153,631</u>
Creditors: amounts falling due within one year	18	(16,026,427)	(18,734,365)
Net current assets		<u>7,759,819</u>	<u>7,419,266</u>
Total assets less current liabilities		<u>7,829,066</u>	<u>7,515,482</u>
Other provisions	21	(90,001)	-
		<u>(90,001)</u>	<u>-</u>
Net assets		<u><u>7,739,065</u></u>	<u><u>7,515,482</u></u>
Capital and reserves			
Called up share capital	22	15,140,603	15,140,603
Profit and loss account	23	(7,401,538)	(7,625,121)
Equity attributable to owners of the parent Company		<u><u>7,739,065</u></u>	<u><u>7,515,482</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2 December 2019.



P C Croker
Director

The notes on pages 16 to 37 form part of these financial statements.

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED
REGISTERED NUMBER: 03070525

COMPANY BALANCE SHEET
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	14	2,072,678	2,072,678
		<u>2,072,678</u>	<u>2,072,678</u>
Current assets			
Debtors	16	3,961,106	3,110,291
Cash at bank and in hand	17	275	275
		<u>3,961,381</u>	<u>3,110,566</u>
Creditors: amounts falling due within one year	18	(4,363,970)	(4,199,339)
Net current liabilities		<u>(402,589)</u>	<u>(1,088,773)</u>
Total assets less current liabilities		<u>1,670,089</u>	<u>983,905</u>
Net assets excluding pension asset		<u>1,670,089</u>	<u>983,905</u>
Net assets		<u><u>1,670,089</u></u>	<u><u>983,905</u></u>
Capital and reserves			
Called up share capital	22	15,140,603	15,140,603
Profit and loss account carried forward		(13,470,514)	(14,156,698)
		<u>1,670,089</u>	<u>983,905</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2 December 2019.

P C Croker
Director



The notes on pages 16 to 37 form part of these financial statements.

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2018	15,140,603	(7,625,121)	7,515,482
Comprehensive income for the year			
Loss for the year	-	(427,643)	(427,643)
Currency translation differences	-	651,226	651,226
Other comprehensive income for the year	-	651,226	651,226
Total comprehensive income for the year	-	223,583	223,583
At 31 March 2019	15,140,603	(7,401,538)	7,739,065

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2017	15,140,603	(5,055,277)	10,085,326
Comprehensive income for the year			
Loss for the year	-	(1,433,496)	(1,433,496)
Currency translation differences	-	(1,136,348)	(1,136,348)
Other comprehensive income for the year	-	(1,136,348)	(1,136,348)
Total comprehensive income for the year	-	(2,569,844)	(2,569,844)
At 31 March 2018	15,140,603	(7,625,121)	7,515,482

The notes on pages 16 to 37 form part of these financial statements.

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2018	15,140,603	(14,156,698)	983,905
Comprehensive income for the year			
Profit for the year	-	686,184	686,184
At 31 March 2019	15,140,603	(13,470,514)	1,670,089

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2017	15,140,603	(14,093,489)	1,047,114
Comprehensive income for the year			
Loss for the year	-	(63,209)	(63,209)
At 31 March 2018	15,140,603	(14,156,698)	983,905

The notes on pages 16 to 37 form part of these financial statements.

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019**

	2019 £	2018 £
Cash flows from operating activities		
Loss for the financial year	(427,643)	(1,433,496)
Adjustments for:		
Depreciation of tangible assets	49,443	53,253
Interest paid	286,750	417,886
Interest received	(3,282)	(3,367)
Taxation charge	52,512	(7,459)
Decrease in stocks	1,254,403	1,212,751
Decrease in debtors	1,414,757	626,811
(Increase)/decrease in amounts owed by groups	(858,001)	324,259
(Decrease) in creditors	(1,438,886)	(1,408,691)
(Decrease)/increase in amounts owed to groups	(3,795,804)	9,797,341
Increase in provisions	90,001	-
Corporation tax (paid)	(6,562)	(613)
Exchange gains on consolidation	651,226	(1,136,348)
Net cash generated from operating activities	(2,731,086)	8,442,327
Cash flows from investing activities		
Purchase of tangible fixed assets	(22,474)	(68,185)
Interest received	3,282	3,367
Net cash from investing activities	(19,192)	(64,818)

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

	2019 £	2018 £
Cash flows from financing activities		
New secured loans	2,538,750	2,148
Repayment of loans	-	(7,408,914)
Interest paid	(286,750)	(417,886)
Net cash used in financing activities	2,252,000	(7,824,652)
Net (decrease)/increase in cash and cash equivalents	(498,278)	552,857
Cash and cash equivalents at beginning of year	1,771,700	1,218,843
Cash and cash equivalents at the end of year	1,273,422	1,771,700
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,273,422	1,771,700
	1,273,422	1,771,700

The notes on pages 16 to 37 form part of these financial statements.

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. General information

The Company is a private company limited by shares and is incorporated in England. The address of its registered office is c/o Venture Lighting Europe Limited, Trinity Court, Batchworth Island, Church Street, Rickmansworth, WD3 1RT.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company's functional and presentational currency is Sterling (£).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and loss account in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated profit and loss account from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2016.

2.3 Going concern

The directors have prepared profit and cash flow forecasts for the Company covering the period to 31 December 2020. The forecasts show that the Company has sufficient resources within its facilities for the foreseeable future.

The Group has significant borrowings and facilities from Advanced Lighting Technologies Inc, its ultimate parent, and other companies in the Group. The parent company has provided a formal parental guarantee that these loans will not be reclaimed unless the Company can repay them without affecting its status as a going concern.

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Goodwill	-	10 % straight line
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2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures & fittings	- 10% - 33% straight line
Equipment	- 20% - 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and loss account.

2.7 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated profit and loss account on a straight line basis over the lease term.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated profit and loss account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.10 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated profit and loss account within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.15 Finance costs

Finance costs are charged to the Consolidated profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.16 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.17 Interest income

Interest income is recognised in the Consolidated profit and loss account using the effective interest method.

2.18 Borrowing costs

All borrowing costs are recognised in the Consolidated profit and loss account in the year in which they are incurred.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated profit and loss account in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.21 Research and development

Research and development expenditure is written off in the year in which it is incurred.

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates may differ from the related actual results.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Provisions for slow moving and obsolete stock

The group estimates the net realisable value of its stock in order to ensure that each item is measured at the lower of cost and net realisable value. Accordingly, provisions are made against certain stock items where the cost is deemed to exceed the net realisable value. Estimates are made in order to calculate the required provisions with any movement in the provision charged or credited to the Profit and loss account and the carrying value of the stock on the Balance sheet.

Depreciation, useful lives and residual values of tangible fixed assets

The group estimates the useful lives and residual values of tangible fixed assets in order to calculate the depreciation charges. Changes in these estimates could result in changes being required to the annual depreciation charges in the Profit and loss account and the carrying values of the tangible fixed assets on the Balance sheet.

Deferred tax

The group estimates future profitability in arriving at the fair value of the deferred tax assets and liabilities. If the final tax outcome is different to the estimated deferred tax amount the resulting changes will be reflected in the Profit and loss account, unless the tax relates to an item charged to equity in which case the changes in tax estimates will also be reflected in equity.

Bad debt provision

The group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 17 for the net carrying amount of the debtors and associated impairment provision.

Warranty provision

The group makes an estimate of the warranty provision at the year end. Estimates are made in order to calculate the required provisions with any movement in the provision charged or credited to the Profit and loss account.

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

4. Turnover

The whole of the turnover is derived from its principal activity.

The directors are of the opinion that disclosure of the geographical analysis of turnover would be prejudicial to the interests of the company. Accordingly this information has been omitted from these financial statements.

5. Operating loss

The operating loss is stated after charging:

	2019 £	2018 £
Research & development charged as an expense	-	62,680
Depreciation of tangible fixed assets	49,443	53,253
Exchange differences	943,212	(1,183,642)
Other operating lease rentals - land and buildings	474,879	479,534
Defined contribution pension cost	101,477	94,235
	<u> </u>	<u> </u>

6. Auditor's remuneration

	2019 £	2018 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	57,550	39,176
Fees payable to the Group's auditor and its associates in respect of:		
Other services relating to taxation compliance	4,600	4,400
All other services	6,108	6,479
	<u>10,708</u>	<u>10,879</u>

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Wages and salaries	2,475,993	2,366,983	-	-
Social security costs	241,304	259,677	-	-
Cost of defined contribution scheme	101,477	94,235	-	-
	<u>2,818,774</u>	<u>2,720,895</u>	<u>-</u>	<u>-</u>

The parent Company did not have any employee costs in the year to 31 March 2019 or 31 March 2018

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

	2019 No.	<i>2018 No.</i>
Distribution	50	48
Administrative	12	11
Directors	1	2
	<u>63</u>	<u>61</u>

8. Directors' remuneration

	2019 £	<i>2018 £</i>
Directors' emoluments	190,955	406,796
Company contributions to defined contribution pension schemes	2,167	9,875
Compensation for loss of office	-	350,000
	<u>193,122</u>	<u>766,671</u>

During the year retirement benefits were accruing to 1 director (2018 - 1) in respect of defined contribution pension schemes.

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

9. Interest receivable

	2019	2018
	£	£
Other interest receivable	3,282	3,367

10. Interest payable and similar expenses

	2019	2018
	£	£
Bank interest payable	41,227	174,867
Loans from group undertakings	245,523	243,019
	286,750	417,886

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

11. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	<u>(5,436)</u>	<u>6,006</u>
Deferred tax		
Origination and reversal of timing differences	<u>57,948</u>	<u>(13,465)</u>
Taxation on profit/(loss) on ordinary activities	<u><u>52,512</u></u>	<u><u>(7,459)</u></u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	<u>(375,131)</u>	<u>(1,440,955)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	<u>(71,275)</u>	<u>(273,781)</u>
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(32,727)	92,449
Other timing differences leading to an increase/(decrease) in taxation	9,270	22,228
Non-taxable income	10,498	(24,301)
Deferred tax not recognised	136,746	175,946
Total tax charge for the year	<u><u>52,512</u></u>	<u><u>(7,459)</u></u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Non-trading losses carried forward not recognised amounted to £4,450,348 (2018: £3,811,365).

Capital tax losses carried forward not recognised amounted to £200,500 (2018: £200,500).

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

12. Intangible assets

Group and Company

	Goodwill £
Cost	
At 1 April 2018	326,418
At 31 March 2019	326,418
Amortisation	
At 1 April 2018	326,418
At 31 March 2019	326,418
Net book value	
At 31 March 2019	-
At 31 March 2018	-

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

13. Tangible fixed assets

Group

	Fixtures & fittings £	Equipment £	Total £
Cost			
At 1 April 2018	1,042,316	656,035	1,698,351
Additions	12,556	9,918	22,474
At 31 March 2019	<u>1,054,872</u>	<u>665,953</u>	<u>1,720,825</u>
Depreciation			
At 1 April 2018	1,011,031	591,105	1,602,136
Charge for the year on owned assets	19,622	29,821	49,443
At 31 March 2019	<u>1,030,653</u>	<u>620,926</u>	<u>1,651,579</u>
Net book value			
At 31 March 2019	<u>24,219</u>	<u>45,027</u>	<u>69,246</u>
At 31 March 2018	<u>31,285</u>	<u>64,930</u>	<u>96,215</u>

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

14. Fixed asset investments

Group

	Unlisted Investments £
Cost	
At 1 April 2018	1
At 31 March 2019	<u>1</u>
Net book value	
At 31 March 2019	<u>1</u>
At 31 March 2018	<u>1</u>

Company

	Investments in subsidiary companies £
Cost	
At 1 April 2018	2,072,678
At 31 March 2019	<u>2,072,678</u>
Net book value	
At 31 March 2019	<u>2,072,678</u>
At 31 March 2018	<u>2,072,678</u>

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

14. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Venture Lighting Europe Limited	Trinity Court, Rickmansworth, WD3 1RT	The sale and marketing of High Intensity Discharge Lamps and LED lighting systems and the associated control systems and components	Ordinary & Preference	100%
Venture Lighting International FZE	PO Box 16994, Dubai, U.A.E	Trade in lighting equipment and requisites trading, light fitting and fixtures trading	Ordinary	100%
Venture Lighting International SA (pty) Limited	Unit 6 Lake Shore Park, Western Cape, 7945	Retail of Metal Halide Lamps	Ordinary	100%

15. Stocks

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Finished goods and goods for resale	4,141,146	5,395,549	-	-

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised in cost of sales during the year as an expense was £13,591,635 (2018 - £17,645,804).

An impairment loss of £348,808 (2018 - £84,138) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

16. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	5,283,275	6,670,757	-	-
Amounts owed by group undertakings	12,205,798	11,347,797	3,961,106	3,110,291
Other debtors	339,476	210,361	-	-
Prepayments and accrued income	543,129	699,519	-	-
Deferred taxation	-	57,948	-	-
	18,371,678	18,986,382	3,961,106	3,110,291

An impairment loss of £220,842 (2018: £210,870) was recognised against trade debtors.

17. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	1,273,422	1,771,700	275	275

18. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank loans	2,540,898	2,148	-	-
Trade creditors	1,568,252	2,268,294	-	-
Amounts owed to group undertakings	10,771,085	14,566,889	4,363,970	4,199,339
Corporation tax	1,734	13,732	-	-
Other taxation and social security	87,729	312,698	-	-
Other creditors	1,056,729	1,570,604	-	-
	16,026,427	18,734,365	4,363,970	4,199,339

Bank loans are secured over certain assets within the group and are repayable on demand. Interest is charged at LIBOR plus 2-3%.

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

19. Financial instruments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial assets held at amortised cost				
Trade debtors	5,283,275	6,670,757	-	-
Amounts owed by group undertakings	12,205,798	11,347,797	3,961,106	3,110,291
Other debtors	339,476	210,361	-	-
Cash and cash equivalents	1,273,422	1,771,700	275	275
	<u>19,101,971</u>	<u>20,000,615</u>	<u>3,961,381</u>	<u>3,110,566</u>
	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial liabilities held at amortised cost				
Bank loans	2,540,898	2,148	-	-
Trade creditors	1,568,252	2,268,294	-	-
Amounts owed to group undertakings due within one year	10,771,085	14,566,889	4,363,970	4,199,339
Other creditors	1,146,192	1,570,604	-	-
	<u>16,026,427</u>	<u>18,407,935</u>	<u>4,363,970</u>	<u>4,199,339</u>

20. Deferred taxation

Group

	2019 £	2018 £
At beginning of year	57,948	44,483
Charged to the profit or loss	(57,948)	13,465
At end of year	<u>-</u>	<u>57,948</u>

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

20. Deferred taxation (continued)

	Group 2019 £	Group 2018 £
Accelerated capital allowances	-	24,458
Short term timing differences	-	33,490
	<u>-</u>	<u>57,948</u>

21. Provisions

Group

	Warranty provision £
Charged to profit or loss	90,001
At 31 March 2019	<u>90,001</u>

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

21. Provisions (continued)

Company

**Total
£**

At 31 March 2019

-

22. Share capital

	2019 £	2018 £
Authorised		
100,000 (2018 - 100,000) Ordinary shares of £1 each	100,000	100,000
19,900,000 (2018 - 19,900,000) 'A' Preference shares of £1 each	19,900,000	19,900,000
10,000,000 (2018 - 10,000,000) 'B' Preference shares of £1 each	10,000,000	10,000,000
	30,000,000	30,000,000
Allotted, called up and fully paid		
12 (2018 - 12) Ordinary shares of £1 each	12	12
5,500,000 (2018 - 5,500,000) 'A' Preference shares of £1 each	5,500,000	5,500,000
9,640,591 (2018 - 9,640,591) 'B' Preference shares of £1 each	9,640,591	9,640,591
	15,140,603	15,140,603

The rights attached to the preference shares are as follows:

'A' Preference shares

The shares can be redeemed, at par, at the option of the company at any time after giving one month's notice. 'A' preference shareholders have the right on a winding-up to receive, in priority to ordinary shares, the sum of £1 per share. The shares carry no voting rights.

'B' Preference shares

The shares can be redeemed, at par, at the option of the company at any time after giving one month's notice. 'B' preference shareholders have the right on a winding-up to receive, in priority to ordinary shares, the sum of £1 per share. The shares carry no voting rights.

23. Reserves

Profit & loss account

Includes all current and prior period retained profits and losses.

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

24. Contingent liabilities

In the year the group entered into arrangements with both Barclays and Wells Fargo whereby fixed charge guarantees are held over all of the company's borrowings.

25. Capital commitments

There were no capital commitments at 31 March 2019 or 31 March 2018.

26. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £101,477 (2018: £94,235).

Contributions totalling £12,507 (2018: £10,857) were payable to the fund at the balance sheet date.

27. Commitments under operating leases

At 31 March 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £
Not later than 1 year	315,940	339,560
Later than 1 year and not later than 5 years	175,348	479,909
	491,288	819,469

Operating lease charges for the year amounted to £474,879 (2018: £479,534).

28. Post balance sheet events

On the 30 September 2019 the group sold Venture Lighting International SA (pty) Limited.

29. Controlling party

The directors consider that the ultimate parent undertaking of the Company is Advanced Lighting Technologies Inc., incorporated in the USA.

The smallest and largest group undertakings, including the Company, for which group accounts have been prepared is headed by Advanced Lighting Technologies Europe Limited, which is incorporated in England and Wales.

ADVANCED LIGHTING TECHNOLOGIES EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

30. Related party transactions

The Company has taken advantage of the exemption in FRS 102 and has not disclosed transactions with other members of the group headed by Advanced Lighting Technologies Europe Limited.

The following are considered to be related party transactions requiring disclosure:

	Sales 2019 £	Purchases 2019 £	Debtor 2019 £	Creditor 2019 £
Advanced Lighting Technologies Inc.	18,828	-	3,961,106	7,404,685
Venture US Marketing	-	32,072	50	-
Venture Lighting - Solon	-	2,038,806	8,244,642	3,043,464
Advanced Lighting Technologies Singapore	36	-	-	-
Venture Lighting India Ltd	-	6,368	-	322,936
Venture Lighting Power Systems	-	305,599	-	-
Advanced Lighting Technologies Australia	-	-	-	-
Advanced Lighting Technologies New Zealand	7,539	-	-	-
	26,403	2,374,465	12,205,800	10,771,125
	Sales 2018 £	Purchases 2018 £	Debtor 2018 £	Creditor 2018 £
Advanced Lighting Technologies Inc.	8,210	-	3,171,982	9,633,153
Venture US Marketing	-	-	462,135	2,078,926
Venture Lighting - Solon	-	-	7,713,413	2,832,958
Advanced Lighting technologies Singapore	880	-	267	-
Venture Lighting India Ltd	-	1,126,560	-	21,852
Venture Lighting Power Systems	-	2,395,529	-	-
Advanced Lighting Technologies Australia	3,680	-	-	-
Advanced Lighting Technologies New Zealand	2,011	-	-	-
	14,781	3,522,089	11,348,397	12,536,939

Key management personnel are considered to be the directors of Advanced Lighting Technologies Europe Limited and its subsidiaries. The compensation paid or payable to key management during the year for employee services amounted to £272,435 (2018: £885,977).