

Company Registration No. 4132577

THORN LIGHTING HOLDINGS LIMITED

Report and Financial Statements

30 April 2012



THORN LIGHTING HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

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THORN LIGHTING HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Claire Thomson
Martin Brandt

SECRETARY

St John's Square Secretaries Limited

REGISTERED OFFICE

20 Farringdon Road
London
EC1M 3AP

INDEPENDENT AUDITOR

KPMG LLP
Quayside House
110 Quayside
Newcastle Upon Tyne
NE1 3DX

THORN LIGHTING HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their directors' report and financial statements for the year ended 30 April 2012

PRINCIPAL ACTIVITIES

The company acts as a holding company. The directors do not envisage any change in this in the foreseeable future.

RESULTS AND DIVIDENDS

Overall the company reported a loss on ordinary activities after taxation for the year ended 30 April 2012 of £7,824,000 (2011 £5,606,000). The directors do not recommend the payment of a dividend (2011 £nil).

REVIEW OF BUSINESS AND FUTURE PROSPECTS

The company acts as a holding company and does not trade therefore the directors do not consider that there are appropriate financial or non-financial Key Performance Indicators (KPIs) relevant to the understanding of the business and therefore none are disclosed.

PRINCIPAL RISKS AND UNCERTAINTIES

The company has significant loans from other group companies held in Euro and is therefore exposed to exchange rate risk connected to the revaluation of these loans to current rates. This risk is managed at a group level by monitoring overall group exposure to currency rate movements.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company made no political or charitable donations or incurred any political expenditure during the year.

DIRECTORS

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

Claire Thomson
Martin Brandt

DISCLOSURE OF INFORMATION TO AUDITOR

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

THORN LIGHTING HOLDINGS LIMITED

DIRECTORS' REPORT (continued)

AUDITOR

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

Approved by the Board of Directors and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'C Thomson', written in a cursive style.

C Thomson
Director

Date 31 August 2012

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

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

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities



KPMG LLP

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

Independent auditor's report to the members of Thorn Lighting Holdings Limited

We have audited the financial statements of Thorn Lighting Holdings Limited for the year ended 30 April 2012 set out on pages 7 to 14. 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 (APB'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 APB's web-site at www.frc.org.uk/apb/scope/private.cfm

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 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditor's report to the members of Thorn Lighting Holdings 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

31 August 2012

THORN LIGHTING HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT Year ended 30 April 2012

	<i>Note</i>	2012 £'000	2011 £'000
Administrative expenses		<u>(30)</u>	<u>(125)</u>
OPERATING LOSS	2	(30)	(125)
Interest receivable	4	226	158
Interest payable	5	(4,509)	(3,816)
Amounts written off investments	7	<u>(4,229)</u>	<u>(2,923)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2-3	(8,542)	(6,706)
Tax on loss on ordinary activities	6	<u>718</u>	<u>1,100</u>
LOSS FOR THE FINANCIAL YEAR	12	<u>(7,824)</u>	<u>(5,606)</u>

All activities derive from continuing operations

The company had no recognised gains or losses in the current or preceding year other than the loss for that year. Accordingly, no separate statement of total recognised gains and losses is presented.

THORN LIGHTING HOLDINGS LIMITED

BALANCE SHEET At 30 April 2012

	<i>Note</i>	2012 £'000	2011 £'000
FIXED ASSETS			
Investments	7	<u>76,770</u>	<u>70,999</u>
CURRENT ASSETS			
Debtors	8	9,315	8,806
Cash		<u>1,165</u>	<u>2,300</u>
		10,480	11,106
CREDITORS: amounts falling due within one year	9	<u>(15,046)</u>	<u>(12,077)</u>
NET CURRENT LIABILITIES		(4,566)	(971)
CREDITORS: amounts falling due after more than one year	10	<u>(48,000)</u>	<u>(48,000)</u>
NET ASSETS		<u>24,204</u>	<u>22,028</u>
CAPITAL AND RESERVES			
Called up share capital	11	22,001	12,001
Share premium	12	61,201	61,201
Other reserves	12	22,059	22,059
Profit and loss account	12	<u>(81,057)</u>	<u>(73,233)</u>
SHAREHOLDERS' FUNDS	13	<u>24,204</u>	<u>22,028</u>

These financial statements were approved by the Board of Directors

Signed on behalf of the Board of Directors



C Thomson
Director

Date 31 August 2012

Registered number 4132577

NOTES TO THE ACCOUNTS
Year ended 30 April 2012

1. ACCOUNTING POLICIES

The principal accounting policies which have been applied consistently in both the current and prior years are described below

Basis of preparation

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

The company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

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

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

Going concern

The company meets its day to day working capital requirements through its positive cash balances. The company also has access to a substantial group wide cash pool arrangement which it can draw down on should the results and cash position require it to do so to meet its liabilities as they fall due.

The company has net current liabilities but these financial statements have been prepared as a going concern on the grounds that the company has received assurances from group companies that they will not seek repayment of the amounts due for the foreseeable future.

After making enquiries the directors have a reasonable expectation that the company has 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.

Investments

Investments are stated at cost less provision for impairment.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by 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 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 and liabilities are not discounted.

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rate ruling at the date of the transactions or, if hedged forward, at the rate of exchange applicable under the related forward exchange contract. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the financial period end rates. These translation differences are dealt with in the profit and loss account.

THORN LIGHTING HOLDINGS LIMITED

NOTES TO THE ACCOUNTS Year ended 30 April 2012

1. ACCOUNTING POLICIES (CONTINUED)

Classification of financial instruments issued by the company

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

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds, are dealt with as appropriations in the reconciliation of movements in shareholders' funds

2. NOTES TO THE PROFIT AND LOSS ACCOUNT

	2012 £'000	2011 £'000
<i>Loss on ordinary activities before taxation is stated after charging/(crediting)</i>		
Net foreign exchange (gains)/losses	(67)	29
<i>Auditor's remuneration</i>		
Audit of these financial statements	12	10

Amounts received by the company's auditor in respect of services to the company, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the company's parent

3. DIRECTORS' EMOLUMENTS AND EMPLOYEES

There were no employees in either the current or the preceding year and consequently there were no staff costs in either year

No emoluments were received by directors for services rendered to the company in the current or preceding year

THORN LIGHTING HOLDINGS LIMITED

NOTES TO THE ACCOUNTS Year ended 30 April 2012

4 INTEREST RECEIVABLE

	2012 £'000	2011 £'000
On loans to group undertakings	<u>226</u>	<u>158</u>

5 INTEREST PAYABLE

	2012 £'000	2011 £'000
On loans from group undertakings	4,506	3,814
Other interest payable	3	2
	<u>4,509</u>	<u>3,816</u>

6 TAXATION

	2012 £'000	2011 £'000
<i>UK corporation tax</i>		
Group relief receivable in respect of current year	(718)	(1,100)
Adjustments in respect of prior years	-	-
	<u>(718)</u>	<u>(1,100)</u>

For the year ended 30 April 2012, the company was subject to UK corporation tax at a rate of 26% during the 11 months to 31 March 2012 and 24% from 1 April 2012 to 30 April 2012, giving an average rate for the year of 25.83% (2011 28%)

Factors affecting the tax credit for the current period

The current tax credit for the year is lower (2011 lower) than the standard rate of corporation tax in the UK, 25.83% (2011 28%). The differences are explained below

	2012 £'000	2011 £'000
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	<u>(8,542)</u>	<u>(6,706)</u>
Current tax at 25.83% (2011 28%)	<u>(2,206)</u>	<u>(1,878)</u>
<i>Effects of</i>		
Deductible expenses not recognised for accounting purposes	(9)	(23)
Other items	-	(18)
Expenses non deductible for tax purposes	1,092	819
Unutilised tax losses	<u>405</u>	<u>-</u>
Tax credit for the year	<u>(718)</u>	<u>(1,100)</u>

NOTES TO THE ACCOUNTS
Year ended 30 April 2012

6 TAXATION (CONTINUED)

Factors that may affect future current and total tax charges

At the year end the company had an unprovided deferred tax asset of £2.3m (2011 £2.05m) relating to non trade loan relationship debits and excess management expenses carried forward. No deferred tax asset has been recognised because in the opinion of the directors there will not be sufficient taxable profits in future periods.

In March 2012 the Chancellor announced a reduction in the main rate of UK corporation tax to 24% with effect from 1 April 2012. This change became substantively enacted on 26 March 2012 and therefore the effect of the rate reduction on the unprovided deferred tax balances as at 30 April 2012 has been included in the figures above.

The Chancellor has also proposed changes to further reduce the main rate of corporation tax by one per cent per annum to 22% by 1 April 2014, but these changes had not yet been substantively enacted as at the year end and therefore are not included in the figures above. The overall effect of the further reductions from 24% to 22%, if these applied to the unprovided deferred tax balances at 30 April 2012, would be to further reduce the unprovided deferred tax asset by approximately £190,000.

7. INVESTMENTS

	Shares in group companies £'000
Cost	
At beginning of the year	120,000
Additions	10,000
	<hr/>
At end of the year	130,000
	<hr/>
Provisions	
At beginning of the year	49,001
Arising during year	4,229
	<hr/>
At end of the year	53,230
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Net book value	
At 30 April 2012	76,770
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At 30 April 2011	70,999
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During the year, the company purchased an additional 1,000,000,000 shares in Thorn Lighting Limited at 1 pence per share.

The directors have conducted a review of the carrying value of the company's investments in subsidiary undertakings. Where the estimated recoverable value of the company's investments was less than its carrying value an impairment charge has been recorded.

Recoverable amounts are based on value in use and the key assumptions applied in the value in use calculation include a discount rate of 7.2% and approved cashflow forecasts to 30 April 2016. These projected cashflows assume a growth factor of 2.33% from year 4 through to perpetuity.

An impairment charge of £4,229,000 (2011 £2,923,000) has been recognised in 2012. This impairment relates entirely to the Company's investment in Thorn Lighting Limited.

THORN LIGHTING HOLDINGS LIMITED

NOTES TO THE ACCOUNTS Year ended 30 April 2012

7 INVESTMENTS (CONTINUED)

The companies in which the company's interest is more than 20% are as follows

	Country of incorporation	Principal activity	Percentage of shares held
Thorn Lighting Limited	United Kingdom	Light fitting Manufacturer	100%
TLG Limited	United Kingdom	Non-trading	100%
Rewath Limited	United Kingdom	Non-trading	100%
British Lighting Industries Limited*	United Kingdom	Non-trading	100%
Smart & Brown Limited*	United Kingdom	Non-trading	100%
Oriole Emergency & Fire Protection Limited*	United Kingdom	Non-trading	100%
Atlas International Limited*	United Kingdom	Non-trading	100%

*indirectly held through Thorn Lighting Limited

8 DEBTORS

	2012 £'000	2011 £'000
Amounts owed by group undertakings	<u>9,315</u>	<u>8,806</u>

9 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £'000	2011 £'000
Amounts owed to group undertakings	15,027	12,060
Accruals and deferred income	19	17
	<u>15,046</u>	<u>12,077</u>

10 CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012 £'000	2011 £'000
Amounts owed to group undertakings after one year	<u>48,000</u>	<u>48,000</u>

In 2009, interest bearing promissory notes were sold within the group to the value of £40m Under the agreements, the drawer undertakes to pay the beneficiary or to the order of the beneficiary

- the interest on each interest payment date or early maturity date, and
- the principal amount on maturity date or early maturity date

THORN LIGHTING HOLDINGS LIMITED

NOTES TO THE ACCOUNTS Year ended 30 April 2012

11. CALLED UP SHARE CAPITAL

	2012 £'000	2011 £'000
Called up, allotted and fully paid		
22,001,000 (2011 12,001,000) ordinary share of £1 each	<u>22,001</u>	<u>12,001</u>

On 26 April 2012 the company issued 10,000,000 ordinary shares of £1 each to Zumtobel Lighting GmbH for consideration of £10,000,000

12. SHARE PREMIUM AND RESERVES

	Share capital £'000	Share premium £'000	Other reserves £'000	Profit and loss account £'000
At 1 May 2011	12,001	61,201	22,059	(73,233)
New share capital subscribed	10,000	-	-	-
Loss for the financial year	-	-	-	(7,824)
At 30 April 2012	<u>22,001</u>	<u>61,201</u>	<u>22,059</u>	<u>(81,057)</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £'000	2011 £'000
Loss for the year	(7,824)	(5,606)
New share capital subscribed	<u>10,000</u>	<u>12,000</u>
Net addition to shareholders' funds	2,176	6,394
Opening shareholders' funds	<u>22,028</u>	<u>15,634</u>
Closing shareholders' funds	<u>24,204</u>	<u>22,028</u>

14. ULTIMATE PARENT COMPANY

The company is a subsidiary of Zumtobel AG which is the ultimate parent company incorporated in Austria. The largest group in which the results of the company are consolidated in that headed by Zumtobel AG. Copies of Zumtobel AG's accounts can be obtained from Zumtobel AG, Hochsterstrasse 8, A-6850, Dornbirn, Austria.