

LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED
FINANCIAL STATEMENTS
FOR THE
YEAR ENDED 31 DECEMBER 2009

COMPANY REGISTRATION NUMBER 5204647



COHEN ARNOLD
Chartered Accountants & Statutory Auditor
New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

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LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

| | |
|--------------------------|--|
| The director | Mr CM Lo |
| Company secretary | Lighthouse Pixelite International Limited |
| Registered office | White Lion Court Swan Street Isleworth Middlesex TW7 6RN |
| Auditor | Cohen Arnold Chartered Accountants & Statutory Auditor New Burlington House 1075 Finchley Road LONDON NW11 0PU |

LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED

THE DIRECTOR'S REPORT

YEAR ENDED 31 DECEMBER 2009

The director has pleasure in presenting his report and the financial statements of the company for the year ended 31 December 2009

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the promotion and sale of light emitting diode equipment

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £21,632 The director has not recommended a dividend

DIRECTOR

The director who served the company during the year was as follows

Mr CM Lo

No director has a service contract with the company nor does he receive any emoluments from the company

DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the director 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 those financial statements, the director is 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED

THE DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2009

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.


In so far as the director is aware:

- there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Cohen Arnold will therefore continue in office.

Signed by order of the director



LIGHTHOUSE PIXELITE INTERNATIONAL LIMITED
Company Secretary

Approved by the director on 17/9/2010

LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED
YEAR ENDED 31 DECEMBER 2009

We have audited the financial statements of Lighthouse Technologies (U K) Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's shareholders, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR

As explained more fully in the Director's Responsibilities Statement set out on pages 2 to 3, the director is 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 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements.

LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2009

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 31 December 2009 and of its profit 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

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



D HARRIS (Senior Statutory Auditor)

For and on behalf of
COHEN ARNOLD
Chartered Accountants
& Statutory Auditor

New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

17/9/2010

LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2009

| | | 2009 | 2008 |
|--|-------------|----------------------|----------------------|
| | Note | £ | £ |
| TURNOVER | 2 | 397,410 | 901,611 |
| Cost of Sales | | <u>—</u> | <u>366,388</u> |
| GROSS PROFIT | | 397,410 | 535,223 |
| Administrative Expenses | | 369,684 | 462,392 |
| Other Operating Income | | <u>—</u> | <u>(11,881)</u> |
| OPERATING PROFIT | 3 | 27,726 | 84,712 |
| Interest Receivable | | 81 | 3,916 |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | <u>27,807</u> | <u>88,628</u> |
| Tax on Profit on Ordinary Activities | 5 | 6,175 | 24,075 |
| PROFIT FOR THE FINANCIAL YEAR | | <u>21,632</u> | <u>64,553</u> |

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 8 to 13 form part of these financial statements

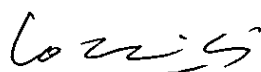
LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED

BALANCE SHEET

31 DECEMBER 2009

| | Note | 2009 £ | 2008 £ |
|---|------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible Assets | 6 | 6,662 | 9,018 |
| Investments | 7 | 90,298 | - |
| | | <u>96,960</u> | <u>9,018</u> |
| CURRENT ASSETS | | | |
| Debtors | 8 | 210,749 | 297,035 |
| Cash at Bank and in Hand | | 22,940 | 42,362 |
| | | <u>233,689</u> | <u>339,397</u> |
| CREDITORS: Amounts falling due within one year | 9 | <u>(107,035)</u> | <u>(146,433)</u> |
| NET CURRENT ASSETS | | <u>126,654</u> | <u>192,964</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>223,614</u> | <u>201,982</u> |
| CAPITAL AND RESERVES | | | |
| Called-Up Equity Share Capital | 13 | 1 | 1 |
| Profit and Loss Account | 14 | 223,613 | 201,981 |
| SHAREHOLDERS' FUNDS | 15 | <u>223,614</u> | <u>201,982</u> |

These financial statements were approved and signed by the director and authorised for issue on 17/9/2010



MR CM LO

Director

Company Registration Number 5204647

The notes on pages 8 to 13 form part of these financial statements.

LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

1. ACCOUNTING POLICIES

Basis of accounting

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

Consolidation

In the opinion of the director, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 not to prepare group accounts

Cash flow statement

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Equipment - 20% Straight Line Basis

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

2. TURNOVER

Analysis by geographical market

| | 2009 | 2008 |
|----------------|----------------|----------------|
| | £ | £ |
| Far East | 397,410 | 497,071 |
| United Kingdom | - | 404,540 |
| Total turnover | <u>397,410</u> | <u>901,611</u> |

3. OPERATING PROFIT

Operating profit is stated after charging

| | 2009 | 2008 |
|--|--------------|------------|
| | £ | £ |
| Depreciation of owned fixed assets | 2,571 | 2,493 |
| Auditor's remuneration | | |
| - as auditor | 13,600 | 10,200 |
| Net loss on foreign currency translation | <u>1,494</u> | <u>280</u> |

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

| | 2009 | 2008 |
|--------------------------------|----------|----------|
| | No | No |
| Number of administrative staff | 1 | 2 |
| Number of technical staff | 2 | 3 |
| Number of marketing staff | 2 | 2 |
| | <u>5</u> | <u>7</u> |

The aggregate payroll costs of the above were

| | 2009 | 2008 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 166,871 | 225,821 |
| Social security costs | 19,504 | 23,039 |
| Other pension costs | 9,956 | 10,612 |
| | <u>196,331</u> | <u>259,472</u> |

The director of the company received no remuneration during the year nor in the preceding year

LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

5. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

| | 2009 £ | 2008 £ |
|--|--------------|---------------|
| Current tax | | |
| UK Corporation tax based on the results for the year at 21% (2008 - 28 50%) | <u>6,175</u> | <u>24,075</u> |
| Total current tax | <u>6,175</u> | <u>24,075</u> |

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 21% (2008 - 28 50%)

| | 2009 £ | 2008 £ |
|---|---------------|---------------|
| Profit on ordinary activities before taxation | <u>27,807</u> | <u>88,628</u> |
| Profit on ordinary activities by rate of tax | 5,839 | 25,259 |
| Expenses disallowed | 654 | 806 |
| Capital allowances | (318) | (500) |
| Marginal relief | - | (1,490) |
| Total current tax (note 5(a)) | <u>6,175</u> | <u>24,075</u> |

6. TANGIBLE FIXED ASSETS

| | Equipment £ |
|----------------------------|----------------|
| COST | |
| At 1 January 2009 | 14,199 |
| Additions | <u>215</u> |
| At 31 December 2009 | <u>14,414</u> |
| DEPRECIATION | |
| At 1 January 2009 | 5,181 |
| Charge for the year | <u>2,571</u> |
| At 31 December 2009 | <u>7,752</u> |
| NET BOOK VALUE | |
| At 31 December 2009 | <u>6,662</u> |
| At 31 December 2008 | <u>9,018</u> |

LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

7. INVESTMENTS

| | Shares held in Subsidiary Undertakings £ |
|-----------------------|---|
| COST | |
| Additions | 90,298 |
| At 31 December 2009 | <u>90,298</u> |
| NET BOOK VALUE | |
| At 31 December 2009 | <u>90,298</u> |
| At 31 December 2008 | <u>-</u> |

During the year, the company acquired a 100% interest in Lighthouse Technologies (Italy) S R L , a company incorporated in Italy

| | 2009 £ | 2008 £ |
|---------------------------------------|-----------|-----------|
| Aggregate capital and reserves | | |
| Lighthouse Technologies (Italy) S R L | 102,619 | - |
| Profit and (loss) for the year | | |
| Lighthouse Technologies (Italy) S R L | (2,010) | - |

Under the provisions of section 398 of the Companies Act 2006 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity

8. DEBTORS

| | 2009 £ | 2008 £ |
|------------------------------------|----------------|----------------|
| Trade debtors | - | 31,620 |
| Amounts owed by group undertakings | 192,212 | 249,210 |
| Other debtors | <u>18,537</u> | <u>16,205</u> |
| | <u>210,749</u> | <u>297,035</u> |

LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

9. CREDITORS: Amounts falling due within one year

| | 2009 | 2008 |
|--|----------------|----------------|
| | £ | £ |
| Trade creditors | 4,333 | 53,056 |
| Amounts owed to group undertakings | 43,336 | — |
| Other creditors including taxation and social security | | |
| Corporation tax | 6,175 | 24,075 |
| PAYE and social security | 5,297 | 6,446 |
| VAT | 40,454 | 39,329 |
| Other creditors | 7,440 | 23,527 |
| | <u>107,035</u> | <u>146,433</u> |

10. PENSION COMMITMENTS

The company operates a defined contribution pension scheme on behalf of certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge of £9,956 represents contributions payable by the company to the fund.

11. DISCLOSURE OF LIMITATION OF AUDITORS' LIABILITY

The Company has entered into a Liability Limitation agreement with its Auditor.

The Principal terms are:

a. The Auditor's Engagement Letter limits the amount of any liability owed to the Company by the Auditor in respect of any negligence, default, breach of duty or breach of trust occurring in the course of the audit of the accounts for the financial year ending 31 October 2009 of which the Auditor may be guilty in relation to the Company ("the Auditor's Liability").

b. The above shall not limit the amount of any liability of the Auditor for its fraud or dishonesty or any other liability that cannot be excluded or restricted by applicable laws or regulations.

c. The maximum aggregate amount of the Auditor's Liability shall not exceed the sum of fifteen times the fees payable (excluding Value Added Tax) under the Engagement Letter referable to the above-mentioned financial year, or £100,000, whichever is the lesser amount.

Resolution Date:

The Auditor's Liability Limitation agreement was passed by a written resolution dated 21 October 2009.

12. RELATED PARTY TRANSACTIONS

Turnover includes agency fees of £397,410 receivable from the ultimate parent undertaking, Lighthouse Technologies Limited.

LIGHTHOUSE TECHNOLOGIES (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

13. SHARE CAPITAL

Authorised share capital:

| | 2009 | 2008 |
|----------------------------------|--------------|--------------|
| | £ | £ |
| 1,000 Ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> |

Allotted, called up and fully paid:

| | 2009 | | 2008 | |
|----------------------------|----------|----------|----------|----------|
| | No | £ | No | £ |
| Ordinary shares of £1 each | <u>1</u> | <u>1</u> | <u>1</u> | <u>1</u> |

14. PROFIT AND LOSS ACCOUNT

| | 2009 | 2008 |
|-------------------------------|----------------|----------------|
| | £ | £ |
| Balance brought forward | 201,981 | 137,428 |
| Profit for the financial year | <u>21,632</u> | <u>64,553</u> |
| Balance carried forward | <u>223,613</u> | <u>201,981</u> |

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2009 | 2008 |
|-------------------------------|----------------|----------------|
| | £ | £ |
| Profit for the financial year | 21,632 | 64,553 |
| Opening shareholders' funds | <u>201,982</u> | <u>137,429</u> |
| Closing shareholders' funds | <u>223,614</u> | <u>201,982</u> |

16. PARENT COMPANY AND CONTROLLING PARTY

The ultimate parent company and controlling party is Lighthouse Technologies Limited, a company incorporated in Hong Kong