

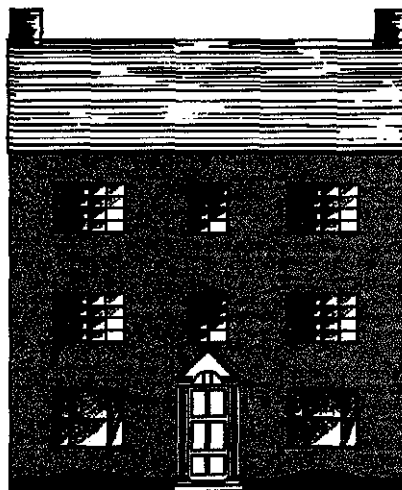
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**FITZGERALD LIGHTING
LIMITED**

FINANCIAL STATEMENTS
31 DECEMBER 2001

Company Registration Number 1102881

STEVENS



& WILLEY
Chartered Accountants



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FITZGERALD LIGHTING LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

CONTENTS	Page
Report of the directors	1 to 3
Report of the auditors	4
Principal accounting policies	5 and 6
Consolidated profit and loss account	7
Consolidated balance sheet	8
Company balance sheet	9
Consolidated cash flow statement	10
Notes to the financial statements	11 to 19

FITZGERALD LIGHTING LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

Company registration number:	1102881
Registered Office:	Normandy Way Bodmin Cornwall PL31 1HH
Directors:	P G FitzGerald OBE FCA (Managing) E T FitzGerald M G FitzGerald MBA FCA T A FitzGerald
Secretary:	P G FitzGerald OBE FCA
Bankers:	National Westminster Bank plc Fore Street Bodmin Cornwall
Auditors:	Stevens & Willey Registered Auditors Chartered Accountants Barnstaple

REPORT OF THE DIRECTORS**FOR THE YEAR ENDED 31 DECEMBER 2001**

The directors' present herewith their report together with the financial statements of the group for the year ended 31 December 2001. A statement of their responsibilities in connection with these financial statements is given on page 2.

Principal activity

The principal activity of the group during the year was the manufacture of fluorescent lighting luminaires and associated products.

Review of the business

Trading conditions, which started well, deteriorated in the second half of the year, with product prices reducing in the market. Exports were hampered by the perceived exchange rate; but order levels at the end of the year improved. Martell Lighting Limited continued to stabilise in competitive market conditions, giving a lower profit than in 2000. Lightform Limited showed sales growth but losses continued because several projects were held over until 2002.

Investment in production technology, product design and improvements to our responsiveness by working with staff and suppliers continues unabated.

Dividends

The directors recommend a final dividend amounting to £0.25 per share in addition to the interim dividend paid during the year of £0.31 per share (2000: £1.07 per share final dividend and an interim dividend of £0.36 per share) net for the year ended 31 December 2001, which together absorbs £65,633 (2000: £167,596) of the company's earnings.

Directors and their interests

The directors of the company during the year and their beneficial interests in the share capital of the company were as follows:-

	As at 31.12.01	As at 31.12.00
E T FitzGerald	12,000	12,000
M G FitzGerald	21,500	21,500
P G FitzGerald	49,680	49,680
T A FitzGerald	11,720	11,720
	<hr/>	<hr/>

No director has an interest in the share capital of any subsidiary company.

REPORT OF THE DIRECTORS (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2001****Fixed Assets**

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the financial statements.

Employees

The company has a works committee, elected by the employees to further the interests of all employees and their current and future prospects. This gives employees an opportunity to influence company plans, prior to implementation, particularly those concerning capital projects.

Health and Safety conditions within the factory continued to improve during the year, through the diligent activities of the Safety Manager, Safety Committee and Managers.

The company has a policy of considering application for employment from disabled persons, including their qualifications, aptitudes and requirements for the job. Disabled employees have equal opportunities alongside other staff for training and career development. Should an employee become disabled every practical effort is made to allow them to continue in their jobs or to provide suitable retraining for alternative work.

During the year the group continued to operate a profit related pay scheme for its employees. The scheme absorbs 16% of profit before taxation and dividends. In the year to 31 December 2001 the charge in the accounts was £ 57,307 (2000:£158,715).

Ecological statement

The directors and employees are very conscious of their responsibilities to reduce CO₂ emissions in furtherance of national policies. The company has concentrated on reduction in waste materials, utilising a committee to improve efficiencies and waste, the use of transportation by rail wherever possible and the production of energy efficient high frequency fluorescent fittings.

Directors responsibilities for the financial statements

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 the company will continue in business.

REPORT OF THE DIRECTORS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2001

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company, for taking reasonable steps for the prevention of fraud and other irregularities.

Auditors

Stevens & Willey offer themselves for appointment as auditors in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD

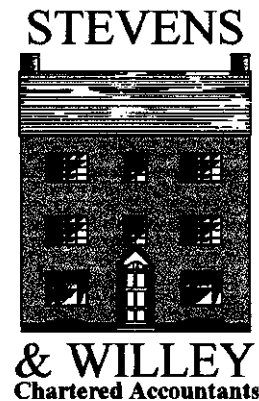
A handwritten signature in black ink, appearing to be 'P G FitzGerald', written in a cursive style.

P G FitzGerald
Director

24 May 2002

FITZGERALD LIGHTING LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2001



We have audited the financial statements on pages 5 to 19 which have been prepared under the accounting policies as set out on pages 5 and 6.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 December 2001 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Stevens + Willey

**STEVENS & WILLEY
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
BARNSTAPLE**

24 May 2002

PRINCIPAL ACCOUNTING POLICIES**FOR THE YEAR ENDED 31 DECEMBER 2001**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The principal accounting policies of the group have remained unchanged from the previous year.

TURNOVER

Turnover represents net invoiced sales of goods, excluding Value Added Tax.

TANGIBLE FIXED ASSET

All assets except motor vehicles are depreciated in the first full year following the year of acquisition. Motor vehicles are depreciated in the year of acquisition. Depreciation is provided, before taking account of any grants receivable at the following annual rates, in order to write off each asset over its estimated useful life:

Transport	-	25%	on cost
Machine tools	-	100%	on cost

Properties are not depreciated. The directors had an independent valuation conducted of the freehold properties to ensure that the carrying values shown are reasonable. As a result, the directors consider that their depreciation is immaterial. To ensure that the carrying amount of these properties can be supported, the carrying amounts are subject to annual impairment reviews in accordance with Financial Reporting Standard 11, Impairment of Fixed Assets. The non provision of depreciation of freehold property combined with annual impairment reviews in accordance with Financial Reporting Standard 15, Tangible Fixed Assets.

Plant and machinery with a cost in excess of £100,000 is depreciated at 10% on cost; all other plant and machinery is depreciated at 25% on cost.

STOCK

Stock and work in progress is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

DEFERRED TAXATION

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

RESEARCH AND DEVELOPMENT

Expenditure on research and development is written off in the year in which it is incurred.

PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2001

FOREIGN CURRENCIES

Trade debtors or creditors denominated 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 transactions. Exchange differences are taken into account in arriving at the operating profit in the parent company accounts.

GRANTS

Grants received in earlier years have been credited to a deferred income account and are written back to profit in a manner consistent with the depreciation of the respective plant on which the grants were received.

The balance of unamortised development grant is shown as deferred income in creditors at notes 13 and 14.

CONTRIBUTIONS TO PENSION FUND

Defined Contribution Scheme

The pension costs charged against profit represent the amount of the contributions payable to the scheme in respect of the accounting year.

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operation leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

BASIS OF CONSOLIDATION

The group financial statements consolidate those of the company and of its subsidiary undertakings (see note 10). Profits or losses on inter-group transactions are eliminated in full.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2001

	Note	2001	2000
		£	£
Turnover	1	28,591,305	29,278,433
Cost of sales		<u>18,146,292</u>	<u>17,973,832</u>
Gross profit		10,445,013	11,304,601
Distribution and administration expenses		<u>9,751,582</u>	<u>9,996,654</u>
Operating profit	2	693,431	1,307,947
Interest payable	5	<u>303,296</u>	<u>307,915</u>
Profit on ordinary activities before taxation		390,135	1,000,032
Taxation	6	<u>35,000</u>	<u>272,602</u>
Profit on ordinary activities after taxation		355,135	727,430
Dividends			
Interim paid		36,333	42,192
Final proposed		<u>29,300</u>	<u>125,404</u>
Retained profit for the year transferred to reserves	19	<u>289,502</u>	<u>559,834</u>

In 2001 all results were derived from continuing operations.

There were no recognised gains or losses other than the profit for the financial year

The accompanying accounting policies and notes form an integral part of these financial statements

CONSOLIDATED BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2001

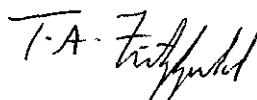
	Note	2001	2000
		£	£
Fixed assets			
Tangible assets	8	7,635,803	7,338,857
Current assets			
Stocks	11	5,610,413	5,632,228
Debtors	12	5,521,792	5,448,678
Cash at bank and in hand		-	65,041
		<u>11,132,205</u>	<u>11,145,947</u>
Creditors: amounts falling due within one year	13	<u>(9,056,263)</u>	<u>(9,071,685)</u>
Net current assets		<u>2,075,942</u>	<u>2,074,262</u>
Total assets less current liabilities		9,711,745	9,413,119
Creditors: amounts falling due after more than one year	14	(1,139,737)	(1,130,613)
Provision for liabilities and charges	16	<u>(10,000)</u>	<u>(10,000)</u>
Total net assets		<u>8,562,008</u>	<u>8,272,506</u>
Financed by:			
Capital and reserves			
Called up share capital	17	117,200	117,200
Capital redemption reserve	19	48,800	48,800
Profit and loss account	19	<u>8,396,008</u>	<u>8,106,506</u>
Equity shareholders' funds	19	<u>8,562,008</u>	<u>8,272,506</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 24th May 2002



P G Fitzgerald
Director



T A Fitzgerald
Director

24 May 2002

COMPANY BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2001

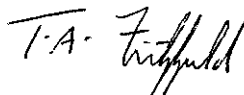
	Note	2001	2000
		£	£
Fixed assets			
Tangible assets	8	7,592,000	7,282,167
Investment in subsidiaries	10	<u>191</u>	<u>191</u>
		7,592,191	7,282,358
Current assets			
Stocks	11	5,218,470	5,343,418
Debtors	12	5,753,730	5,576,912
Cash at bank and in hand		<u>-</u>	<u>49,834</u>
		10,972,200	10,970,164
Creditors: amounts falling due within one year	13	<u>(8,735,808)</u>	<u>(8,967,332)</u>
Net current assets		<u>2,236,392</u>	<u>2,002,832</u>
Total assets less current liabilities		9,828,583	9,285,190
Creditors: amounts falling due after more than one year	14	(1,142,644)	(1,113,991)
Provisions for liabilities and charges	16	<u>(10,000)</u>	<u>(10,000)</u>
Total net assets		<u>8,675,939</u>	<u>8,161,199</u>
Financed by:			
Capital and reserves			
Called up share capital	17	117,200	117,200
Capital redemption reserve	19	48,800	48,800
Profit and loss account	19	<u>8,509,939</u>	<u>7,995,199</u>
Equity shareholders' funds	19	<u>8,675,939</u>	<u>8,161,199</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on *24th May 2002*



P G Fitzgerald
Director



T A Fitzgerald
Director

24 May 2002

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2001

	Note	2001 £	2000 £
Net cash inflow from operating activities	28	<u>1,487,334</u>	<u>1,619,711</u>
Returns on investments and servicing of finance			
Interest paid		(256,908)	(223,324)
Finance lease interest paid		<u>(46,388)</u>	<u>(38,763)</u>
Net cash outflow from returns on investments and servicing of finance		<u>(303,296)</u>	<u>(262,087)</u>
Taxation		<u>(264,000)</u>	<u>(135,000)</u>
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(827,028)	(1,997,469)
Proceeds on sale of tangible fixed assets		<u>32,970</u>	<u>21,344</u>
Net cash outflow from capital expenditure and financial investment		<u>(794,058)</u>	<u>(1,976,125)</u>
Equity dividends paid		<u>(161,737)</u>	<u>(83,212)</u>
Net cash outflow before use of liquid resources and financing		<u>(35,757)</u>	<u>(836,713)</u>
Financing			
Debt due within a year - repayment of secured loans		(244,397)	201,318
Capital element of finance lease rental payments		<u>(315,707)</u>	<u>235,635</u>
Net cash inflow from financing		<u>(560,104)</u>	<u>436,953</u>
(Decrease) in cash	29	<u>(595,861)</u>	<u>(399,760)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

1 TURNOVER AND PROFIT BEFORE TAXATION

The turnover and profit before taxation is attributable to the group's main activity

An analysis of turnover by geographical market is given below:

		2001		2000
	£	£	£	£
United Kingdom		26,027,697		25,790,025
Exports - EU	183,549		202,981	
Exports - Non EU	<u>2,380,059</u>	<u>2,563,608</u>	<u>3,285,427</u>	<u>3,488,408</u>
		<u><u>28,591,305</u></u>		<u><u>29,278,433</u></u>

2 OPERATING PROFIT

2001

2000

£

£

The operating profit is stated after charging/(crediting):

Depreciation of tangible fixed assets	502,122	675,608
Other operating lease rentals	395,702	287,316
Development grants credited	(641)	(641)
Directors' remuneration	138,347	162,976
Pension to former director	4,296	3,943
Staff costs	8,548,031	8,073,000
Auditors' remuneration	15,500	24,000
Research and development	<u>368,092</u>	<u>414,672</u>

3 STAFF COSTS (EXCLUDING DIRECTORS)

2001

2000

£

£

Wages and salaries	7,931,882	7,224,508
Social security costs	558,842	514,930
Other pension costs	157,306	174,847
Profit related pay scheme	<u>57,307</u>	<u>158,715</u>
	<u><u>8,548,031</u></u>	<u><u>8,073,000</u></u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2001

3 STAFF COSTS (EXCLUDING DIRECTORS) (CONTINUED)	2001	2000
	£	£

The average weekly number of employees during the year was as follows:

Office and management	133	146
Production and sales	467	477
	<u>600</u>	<u>623</u>

On average 71 of the above employees were employed for less than 16 hours per week (2000: 16) and have been equated to full time equivalent workers.

4 DIRECTORS' REMUNERATION	2001	2000
	£	£

Fees	6,564	8,982
Other emoluments	131,783	153,994
Pension contributions	17,200	34,419
Pension payments on behalf of former director	4,296	3,943
	<u>159,843</u>	<u>201,338</u>

5 INTEREST PAYABLE	2001	2000
	£	£

On bank loans and overdrafts	256,908	269,152
Lease finance charges	46,388	38,763
	<u>303,296</u>	<u>307,915</u>

6 TAXATION	2001	2000
	£	£

Corporation tax at 30% (2000: 30%)	67,648	309,662
Overprovision prior year	(32,648)	(37,060)
	<u>35,000</u>	<u>272,602</u>

7 PROFIT FOR THE FINANCIAL YEAR

The consolidated profit for the year includes a profit of £580,373 (2000: £541,852) in respect of the accounts of the parent company. The parent company has not presented its own profit and loss account as permitted by Section 230 of the Companies Act 1985.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2001

8 FIXED ASSETS	Freehold property £	Leasehold property £	Plant and equipment £	Machine tools £	Transport £	Total £
The Group						
Cost						
At 1 January 2001	5,210,701	214,000	6,258,198	1,128,689	689,850	13,501,438
Additions	62,371	-	500,304	151,988	112,365	827,028
Disposals	-	-	-	-	(87,975)	(87,975)
At 31 December 2001	<u>5,273,072</u>	<u>214,000</u>	<u>6,758,502</u>	<u>1,280,677</u>	<u>714,240</u>	<u>14,240,491</u>
Depreciation						
At 1 January 2001	122,860	12,023	4,496,828	1,058,515	472,355	6,162,581
Provided for the year	-	-	336,043	84,974	81,105	502,122
Disposals	-	-	-	-	(60,015)	(60,015)
At 31 December 2001	<u>122,860</u>	<u>12,023</u>	<u>4,832,871</u>	<u>1,143,489</u>	<u>493,445</u>	<u>6,604,688</u>
Net book values						
At 31 December 2001	<u>5,150,212</u>	<u>201,977</u>	<u>1,572,712</u>	<u>151,988</u>	<u>217,039</u>	<u>7,635,803</u>
At 31 December 2000	<u>5,087,841</u>	<u>201,977</u>	<u>1,761,370</u>	<u>70,174</u>	<u>217,495</u>	<u>7,338,857</u>
	Freehold property £	Leasehold property £	Plant and equipment £	Machine tools £	Transport £	Total £
The Company						
Cost						
At 1 January 2001	5,210,701	214,000	6,094,103	1,128,689	649,087	13,296,580
Additions	62,371	-	495,890	151,988	112,365	822,614
Disposals	-	-	-	-	(87,975)	(87,975)
At 31 December 2001	<u>5,273,072</u>	<u>214,000</u>	<u>6,589,993</u>	<u>1,280,677</u>	<u>673,477</u>	<u>14,031,219</u>
Depreciation						
At 1 January 2001	122,860	12,023	4,382,258	1,043,715	453,557	6,014,413
Provided for the year	-	-	324,121	84,974	75,725	484,820
Disposals	-	-	-	-	(60,015)	(60,015)
At 31 December 2001	<u>122,860</u>	<u>12,023</u>	<u>4,706,379</u>	<u>1,128,689</u>	<u>469,267</u>	<u>6,439,218</u>
Net book values						
At 31 December 2001	<u>5,150,212</u>	<u>201,977</u>	<u>1,883,614</u>	<u>151,988</u>	<u>204,209</u>	<u>7,592,000</u>
At 31 December 2000	<u>5,087,841</u>	<u>201,977</u>	<u>1,711,845</u>	<u>84,974</u>	<u>195,530</u>	<u>7,282,167</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2001

8 FIXED ASSETS (CONTINUED)

The figures stated above for group and company include assets held under finance leases and similar hire purchase contracts as follows:

	Group		Company	
	Plant and equipment £	Transport £	Plant and equipment £	Transport £
Cost	<u>1,554,702</u>	<u>135,323</u>	<u>1,554,702</u>	<u>113,853</u>
Depreciation provided in the year	<u>191,228</u>	<u>23,277</u>	<u>191,228</u>	<u>17,447</u>
Net book value at 31 December 2001	<u>1,037,859</u>	<u>107,295</u>	<u>1,037,859</u>	<u>94,465</u>

9 FIXED ASSET DEVELOPMENT GRANT

	2001		2000	
	Group £	Company £	Group £	Company £
At 1 January 2001	15,293	15,293	15,934	15,934
Credited to profit and loss account	(641)	(641)	(641)	(641)
At 31 December 2001	<u>14,652</u>	<u>14,652</u>	<u>15,293</u>	<u>15,293</u>

10 FIXED ASSET INVESTMENTS

	2001 £	2000 £
Interest in subsidiary undertakings at cost at 1 January	17,157	17,157
Permanent diminution in value	<u>(16,966)</u>	<u>(16,966)</u>
	<u>191</u>	<u>191</u>

Name	Incorporation	Class	Proportion	Nature of Business
FitzGerald Licht GMBH	Germany	-	100%	Distributor
Lightform Limited	England and Wales	Ordinary	100%	Trading
Lightform Special Projects Limited	England and Wales	Ordinary	90%	Dormant
Martell Lighting Limited	England and Wales	Ordinary	100%	Lighting Manufacturer

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2001

11 STOCKS

	2001		2000	
	Group	Company	Group	Company
	£	£	£	£
Raw materials and work-in-progress	2,299,916	2,133,354	2,503,969	2,363,591
Finished goods	3,310,497	3,085,116	3,128,259	2,979,827
	<u>5,610,413</u>	<u>5,218,470</u>	<u>5,632,228</u>	<u>5,343,418</u>

12 DEBTORS

	2001		2000	
	Group	Company	Group	Company
	£	£	£	£
Trade debtors	5,214,931	5,092,379	5,103,618	5,166,207
Amount owed by group undertakings less provision	-	410,965	-	79,701
Prepayments and accrued income	306,861	250,386	345,060	331,004
	<u>5,521,792</u>	<u>5,753,730</u>	<u>5,448,678</u>	<u>5,576,912</u>

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001		2000	
	Group	Company	Group	Company
	£	£	£	£
Bank overdraft (see note 15)	2,734,842	2,646,128	2,204,022	2,092,827
Bank and other loans (see note 15)	269,208	269,208	310,226	310,226
Amounts due under finance leases (see note 20)	304,642	304,643	221,119	211,455
Trade creditors	4,008,258	3,860,232	3,905,477	3,982,645
Social security and other taxes	784,469	738,005	588,563	559,198
Other creditors and accruals	924,903	887,651	1,516,433	1,462,552
Deferred income (see note 9)	641	641	641	641
Dividends payable	29,300	29,300	126,576	126,576
Corporation tax	-	-	198,628	221,212
	<u>9,056,263</u>	<u>8,735,808</u>	<u>9,071,685</u>	<u>8,967,332</u>

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2001		2000	
	Group	Company	Group	Company
	£	£	£	£
Bank loans (see note 15)	761,082	761,082	974,083	974,083
Other loans	-	-	10,182	-
Amounts due under finance leases (see note 20)	364,644	367,552	131,696	125,256
Deferred income (see note 9)	14,011	14,011	14,652	14,652
	<u>1,139,737</u>	<u>1,142,644</u>	<u>1,130,613</u>	<u>1,113,991</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2001

15 BANK LOANS AND OVERDRAFTS

Bank loans are represented by four loans with capital outstanding at 31 December 2001 of between £433,856 and £128,222. All loans are repayable in equal monthly instalments of between £3,508 and £7,993 from 2003 to 2007.

The bank loans and overdrafts are secured by a first charge over all properties and a mortgage debenture over all other company assets.

Borrowings are repayable as follows:

	2001		2000	
	Group	Company	Group	Company
	£	£	£	£
Within one year				
Bank and other borrowings	3,004,656	2,915,336	2,514,248	2,403,053
Finance leases	304,642	304,643	221,119	211,455
After one and within two years				
Bank and other borrowings	253,517	253,517	226,708	226,708
Finance leases	364,644	367,552	123,702	117,262
After two and within five years				
Bank and other borrowings	507,564	507,564	640,678	640,678
Finance leases	-	-	7,994	7,994
After five years				
Bank and other borrowings	-	-	106,697	106,697
	<u>4,435,023</u>	<u>4,348,612</u>	<u>3,841,146</u>	<u>3,713,847</u>

16 DEFERRED TAXATION

	2001	2000
	£	£
Group and Company		
Accelerated capital allowances	<u>10,000</u>	<u>10,000</u>

For the purposes of computing deferred taxation no account is taken of timing differences on allowances for buildings expenditure. The amount of deferred taxation unprovided is £ 205,307 (2000: £181,909).

17 CALLED UP SHARE CAPITAL

	2001	2000
	£	£
Authorised		
250,000 ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>
Allotted, issued and fully paid		
117,200 ordinary shares of £1 each	<u>117,200</u>	<u>117,200</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2001

18 OTHER FINANCIAL COMMITMENTS

The parent company has guaranteed bank borrowings of subsidiary undertakings which amount to £89,319 (2000:£111,195)

19 RESERVES AND SHAREHOLDERS' FUNDS

	Profit and loss account £	Capital redemption reserve £	Share capital £	Total shareholders' funds £
Group				
At 1 January 2001	8,106,506	48,800	117,200	8,272,506
Profit for the year	289,502	-	-	289,502
At 31 December 2001	<u>8,396,008</u>	<u>48,800</u>	<u>117,200</u>	<u>8,562,008</u>
Company				
At 1 January 2001	7,995,199	48,800	117,200	8,161,199
Profit for the year	514,740	-	-	514,740
At 31 December 2001	<u>8,509,939</u>	<u>48,800</u>	<u>117,200</u>	<u>8,675,939</u>

20 OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	2001 £	2000 £
Within one year	304,642	221,119
After one and within five years	364,644	131,696
	<u>669,286</u>	<u>352,815</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2001

21 MAJOR NON-CASH TRANSACTIONS

During the year the company entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £766,521 (2000:£93,992)

22 LEASING COMMITMENTS

Operating lease payments amounting to £379,497 (2000:£224,285) are within one year. The leases to which these amounts relate expire as follows:-

	2001		2000	
	Land and buildings £	Other £	Land and buildings £	Other £
In one year or less	64,714	327,345	-	15,602
Between one and five years	194,142	298,725	-	208,683
In five years or more	-	-	-	-
	<u>258,856</u>	<u>626,070</u>	<u>-</u>	<u>224,285</u>

23 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2001 or 31 December 2000 except in respect of unprovided deferred tax (note 16).

24 PENSIONS

Defined Contribution Scheme

The group operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from those of the group.

25 CAPITAL COMMITMENTS

	2001		2000	
	Group £	Company £	Group £	Company £
Authorised and contracted for	<u>-</u>	<u>-</u>	<u>169,200</u>	<u>169,200</u>

26 TRANSACTIONS WITH OTHER RELATED PARTIES

P Fitzgerald is a director of and shareholder in Vanguard Lighting Limited and the following transaction was entered into:

Vanguard Lighting Limited leased land and buildings to Fitzgerald Lighting Limited at a rent of £5,101 (2000: £8,807).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2001

27 CONTROLLING RELATED PARTY

P Fitzgerald is the company's controlling related party by virtue of his significant shareholding, which taken with the shareholding of his wife, a non executive director, is a majority shareholding.

28 NET CASH OUTFLOW FROM OPERATING ACTIVITIES	2001	2000
	£	£
Operating profit	693,431	1,307,947
Depreciation	502,122	675,608
Profit/(loss) on sale of assets	5,010	1,840
Decrease/(increase) in stock	21,815	(553,702)
Decrease/(increase) in debtors	(73,114)	(50,862)
(Decrease)/increase in creditors	338,070	238,880
	<u>1,487,334</u>	<u>1,619,711</u>

29 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2001	2000
	£	£
(Decrease) in cash in the year	(595,861)	(399,760)
Cash outflow from decrease in debt and lease financing	1,117,277	436,953
Change in net debt resulting from cash flows	521,416	37,193
New debt and finance leases	<u>(1,169,547)</u>	<u>(587,344)</u>
Movement in net debt in the year	(648,131)	(550,151)
Net debt at 1 January	<u>(3,786,287)</u>	<u>(3,236,136)</u>
Net debt at 31 December	<u>(4,434,418)</u>	<u>(3,786,287)</u>

30 ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.01	Cash flow	Other non cash movements	At 31.12.01
	£	£	£	£
Cash-in-hand and at bank	65,041	(65,041)	-	-
Overdrafts	(2,204,022)	<u>(530,820)</u>	-	(2,734,842)
		(595,861)		
Debt due after one year	(984,265)	395,902	(172,719)	(761,082)
Debt due within one year	(310,226)	61,496	(20,478)	(269,208)
Finance leases	(352,815)	659,879	(976,350)	(669,286)
	<u>(3,786,287)</u>	<u>521,416</u>	<u>(1,169,547)</u>	<u>(4,434,418)</u>