

**FITZGERALD LIGHTING  
LIMITED**

**FINANCIAL STATEMENTS  
31 DECEMBER 2002**

**Company Registration Number 1102881**

**STEVENS & WILLEY**

Chartered Certified Accountants & Registered Auditors  
Grenville House  
9 Boutport Street  
Barnstaple  
Devon



**FITZGERALD LIGHTING LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2002**

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 Certified Accountants Barnstaple

**FITZGERALD LIGHTING LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2002**

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**REPORT OF THE DIRECTORS****FOR THE YEAR ENDED 31 DECEMBER 2002**

The directors' present herewith their report together with the financial statements of the group for the year ended 31 December 2002. 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 badly, improved in the second half of the year (after the June Golden Jubilee disruptions), with sales and profits showing good growth. The directors have put in hand a comprehensive investment programme which should ensure that during 2003 the growth will continue.

There has been proactive staff involvement at all levels with improving systems and responsiveness to changing conditions.

Exports have proven to be very challenging but we have held our position and with renewed presence in the Middle-East, we have significant opportunities ahead of us.

Martell Lighting Limited remained profitable, with significant changes made to the structure of the company which should allow growth in 2003.

Lightform Limited showed good growth and gained several ongoing projects with blue-chip companies. We are now recording profitable trading.

**Dividends**

The directors recommend a final dividend amounting to £0.40 per share in addition to the interim dividend paid during the year of £0.16 per share (2001: £0.25 per share final dividend and an interim dividend of £0.31 per share) net for the year ended 31 December 2002, which together absorbs £57,032 (2001: £65,633) 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 31.12.02	As at 31.12.01
P G FitzGerald	49,680	49,680
M G FitzGerald	21,500	21,500
E T FitzGerald	12,000	12,000
T A FitzGerald	11,720	11,720

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

**REPORT OF THE DIRECTORS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2002****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.

**Ecological statement**

The directors and employees are very conscious of their responsibilities to reduce CO<sub>2</sub> 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 2002**

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 read 'P G FitzGerald', written in a cursive style.

P G FitzGerald  
Director

1 May 2003

# **REPORT OF THE AUDITORS TO THE MEMBERS OF**

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## **FITZGERALD LIGHTING LIMITED**

### **FOR THE YEAR ENDED 31 DECEMBER 2002**

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.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 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.

**FITZGERALD LIGHTING LIMITED**

**FOR THE YEAR ENDED 31 DECEMBER 2002**

**Basis of opinion - continued**

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 2002 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 CERTIFIED ACCOUNTANTS  
BARNSTAPLE**

**1 May 2003**



**PRINCIPAL ACCOUNTING POLICIES****FOR THE YEAR ENDED 31 DECEMBER 2002**

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	-	33%	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, is 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 2002**

**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 operating 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 2002**

	Note	2002		2001	
		£	£	£	£
Turnover	1		28,481,776		28,591,305
Cost of sales			<u>17,620,898</u>		<u>18,146,292</u>
<b>Gross profit</b>			10,860,878		10,445,013
Distribution and administration expenses			<u>10,323,449</u>		<u>9,751,582</u>
<b>Operating profit</b>	2		537,429		693,431
Interest payable	5		<u>253,056</u>		<u>303,296</u>
<b>Profit on ordinary activities before taxation</b>			284,373		390,135
Taxation	6		<u>3,425</u>		<u>35,000</u>
<b>Profit on ordinary activities after taxation</b>			280,948		355,135
<b>Dividends</b>					
Interim paid		18,752		36,333	
Final proposed		<u>38,280</u>	<u>57,032</u>	<u>29,300</u>	<u>65,633</u>
<b>Retained profit for the year transferred to reserves</b>	19		<u>223,916</u>		<u>289,502</u>

In 2002 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**

**AS AT 31 DECEMBER 2002**

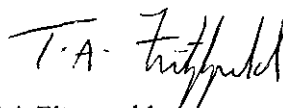
	Note	2002	2001
		£	£
<b>Fixed assets</b>			
Tangible assets	8	7,663,374	7,635,803
<b>Current assets</b>			
Stocks	11	4,928,732	5,610,413
Debtors	12	<u>5,293,733</u>	<u>5,521,792</u>
		10,222,465	11,132,205
<b>Creditors: amounts falling due within one year</b>	13	<u>(9,042,202)</u>	<u>(9,056,263)</u>
<b>Net current assets</b>		<u>1,180,263</u>	<u>2,075,942</u>
<b>Total assets less current liabilities</b>		8,843,637	9,711,745
<b>Creditors: amounts falling due after more than one year</b>	14	(1,196,370)	(1,139,737)
<b>Provision for liabilities and charges</b>	16	<u>(43,843)</u>	<u>(10,000)</u>
<b>Total net assets</b>		<u>7,603,424</u>	<u>8,562,008</u>
<b>Financed by:</b>			
<b>Capital and reserves</b>			
Called up share capital	17	95,700	117,200
Capital redemption reserve	19	70,300	48,800
Profit and loss account	19	<u>7,437,424</u>	<u>8,396,008</u>
<b>Equity shareholders' funds</b>	19	<u>7,603,424</u>	<u>8,562,008</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 1 May 2003



P G Fitzgerald  
Director



T A Fitzgerald  
Director

**COMPANY BALANCE SHEET**

**AS AT 31 DECEMBER 2002**

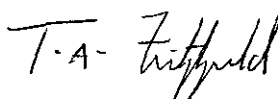
	Note	2002		2001	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8		7,655,813		7,592,000
Investment in subsidiaries	10		<u>192</u>		<u>191</u>
			7,656,005		7,592,191
<b>Current assets</b>					
Stocks	11	4,457,528		5,218,470	
Debtors	12	<u>5,780,871</u>		<u>5,753,730</u>	
		10,238,399		10,972,200	
<b>Creditors: amounts falling due within one year</b>	13	<u>(8,753,815)</u>		<u>(8,735,808)</u>	
<b>Net current assets</b>			<u>1,484,584</u>		<u>2,236,392</u>
<b>Total assets less current liabilities</b>			9,140,589		9,828,583
<b>Creditors: amounts falling due after more than one year</b>	14		(1,196,370)		(1,142,644)
<b>Provisions for liabilities and charges</b>	16		<u>(43,843)</u>		<u>(10,000)</u>
<b>Total net assets</b>			<u>7,900,376</u>		<u>8,675,939</u>
<b>Financed by:</b>					
<b>Capital and reserves</b>					
Called up share capital	17		95,700		117,200
Capital redemption reserve	19		70,300		48,800
Profit and loss account	19		<u>7,734,376</u>		<u>8,509,939</u>
<b>Equity shareholders' funds</b>	19		<u>7,900,376</u>		<u>8,675,939</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 1 May 2003



P G Fitzgerald  
Director



T A Fitzgerald  
Director

**CONSOLIDATED CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2002**

	Note	2002 £	2001 £
<b>Net cash inflow from operating activities</b>	28	<u>1,901,620</u>	<u>1,487,334</u>
<b>Returns on investments and servicing of finance</b>			
Interest paid		(183,904)	(256,908)
Finance lease interest paid		<u>(70,812)</u>	<u>(46,388)</u>
<b>Net cash outflow from returns on investments and servicing of finance</b>		<u>(254,716)</u>	<u>(303,296)</u>
<b>Taxation</b>		-	<u>(264,000)</u>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(698,973)	(827,028)
Proceeds on sale of tangible fixed assets		<u>33,714</u>	<u>32,970</u>
<b>Net cash outflow from capital expenditure and financial investment</b>		<u>(665,259)</u>	<u>(794,058)</u>
<b>Equity dividends paid</b>		<u>(48,052)</u>	<u>(161,737)</u>
<b>Net cash outflow before use of liquid resources and financing</b>		<u>933,593</u>	<u>(35,757)</u>
<b>Financing</b>			
Debt due within a year - repayment of secured loans		(269,209)	(244,397)
Capital element of finance lease rental payments		<u>(330,499)</u>	<u>(315,707)</u>
<b>Net cash inflow from financing</b>		<u>(599,708)</u>	<u>(560,104)</u>
<b>Increase/(Decrease) in cash</b>	29	<u>333,885</u>	<u>(595,861)</u>

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2002**

**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:

	2002	2001
£	£	£
United Kingdom	25,921,701	26,027,697
Exports - EU	121,983	183,549
Exports - Non EU	<u>2,438,092</u>	<u>2,563,608</u>
	<u><u>28,481,776</u></u>	<u><u>28,591,305</u></u>

**2 OPERATING PROFIT**

**2002**

**2001**

£

£

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

Depreciation of tangible fixed assets	631,998	502,122
Other operating lease rentals	175,488	395,702
Development grants credited	(641)	(641)
Directors' remuneration	117,562	138,347
Pension to former director	4,296	4,296
Staff costs	7,629,653	8,548,031
Auditors' remuneration	18,000	15,500
Research and development	<u>469,865</u>	<u>368,092</u>

**3 STAFF COSTS (EXCLUDING DIRECTORS)**

**2002**

**2001**

£

£

Wages and salaries	6,814,163	7,931,882
Social security costs	547,167	558,842
Other pension costs	195,200	157,306
Attendance bonus	<u>73,123</u>	<u>57,307</u>
	<u><u>7,629,653</u></u>	<u><u>8,548,031</u></u>

**2002**

**2001**

£

£

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

Office and management	148	133
Production and sales	<u>419</u>	<u>467</u>
	<u><u>567</u></u>	<u><u>600</u></u>

On average 65 of the above employees were employed for less than 16 hours per week (2001: 71) and have been equated to full time equivalent workers.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEAR ENDED 31 DECEMBER 2002

<b>4 DIRECTORS' REMUNERATION</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Fees	-	6,564
Other emoluments	117,562	131,783
Pension contributions	17,200	17,200
Pension payments on behalf of former director	4,296	4,296
	<u>139,058</u>	<u>159,843</u>
<b>5 INTEREST PAYABLE</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	193,451	256,908
Lease finance charges	59,605	46,388
	<u>253,056</u>	<u>303,296</u>
<b>6 TAXATION</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
<b>Corporation tax</b>		
Corporation tax at 30% (2001: 30%)	1,500	67,648
Overprovision prior year	(31,918)	(32,648)
	<u>(30,418)</u>	<u>35,000</u>
<b>Deferred Tax</b>		
Origination and reversal of timing differences	33,843	-
	<u>33,843</u>	<u>-</u>
Tax on profit on ordinary activities	<u>3,425</u>	<u>35,000</u>

**7 PROFIT FOR THE FINANCIAL YEAR**

The consolidated profit for the year includes a profit of £463,969 (2001: £580,373) 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 2002

8 FIXED ASSETS

	Freehold property £	Leasehold property £	Plant and equipment £	Machine tools £	Transport £	Total £
<b>The Group</b>						
<b>Cost</b>						
At 1 January 2002	5,273,072	214,000	6,758,502	1,280,677	714,240	14,240,491
Additions	26,673	-	256,966	191,151	224,183	698,973
Disposals	-	-	-	-	(189,263)	(189,263)
At 31 December 2002	<u>5,299,745</u>	<u>214,000</u>	<u>7,015,468</u>	<u>1,471,828</u>	<u>749,160</u>	<u>14,750,201</u>
<b>Depreciation</b>						
At 1 January 2002	122,860	12,023	4,832,871	1,143,489	493,445	6,604,688
Provided for the year	-	-	486,765	50,663	94,571	631,998
Disposals	-	-	-	-	(149,860)	(149,860)
At 31 December 2002	<u>122,860</u>	<u>12,023</u>	<u>5,319,636</u>	<u>1,194,152</u>	<u>438,156</u>	<u>7,086,826</u>
<b>Net book values</b>						
At 31 December 2002	<u>5,176,885</u>	<u>201,977</u>	<u>1,695,832</u>	<u>277,676</u>	<u>311,004</u>	<u>7,663,374</u>
At 31 December 2001	<u>5,150,212</u>	<u>201,977</u>	<u>1,925,631</u>	<u>137,188</u>	<u>220,795</u>	<u>7,635,803</u>

	Freehold property £	Leasehold property £	Plant and equipment £	Machine tools £	Transport £	Total £
<b>The Company</b>						
<b>Cost</b>						
At 1 January 2002	5,273,072	214,000	6,589,993	1,280,677	673,477	14,031,219
Additions	26,673	-	255,540	191,151	224,183	697,547
Disposals	-	-	-	-	(189,263)	(189,263)
At 31 December 2002	<u>5,299,745</u>	<u>214,000</u>	<u>6,845,533</u>	<u>1,471,828</u>	<u>708,397</u>	<u>14,539,503</u>
<b>Depreciation</b>						
At 1 January 2002	122,860	12,023	4,706,379	1,128,689	469,267	6,439,218
Provided for the year	-	-	457,894	50,663	85,775	594,331
Disposals	-	-	-	-	(149,860)	(149,860)
At 31 December 2002	<u>122,860</u>	<u>12,023</u>	<u>5,164,273</u>	<u>1,179,352</u>	<u>405,182</u>	<u>6,883,690</u>
<b>Net book values</b>						
At 31 December 2002	<u>5,176,885</u>	<u>201,977</u>	<u>1,681,260</u>	<u>292,476</u>	<u>303,215</u>	<u>7,655,813</u>
At 31 December 2001	<u>5,150,212</u>	<u>201,977</u>	<u>1,883,614</u>	<u>151,988</u>	<u>204,210</u>	<u>7,592,001</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2002

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>773,723</u>	<u>296,017</u>	<u>773,723</u>	<u>296,017</u>
Depreciation provided in the year	<u>82,505</u>	<u>45,343</u>	<u>82,505</u>	<u>45,343</u>
Net book value at 31 December 2002	<u>558,051</u>	<u>242,510</u>	<u>558,051</u>	<u>242,510</u>

9 FIXED ASSET DEVELOPMENT GRANT

	2002		2001	
	Group £	Company £	Group £	Company £
At 1 January 2001	14,652	14,652	15,293	15,293
Credited to profit and loss account	(641)	(641)	(641)	(641)
At 31 December 2001	<u>14,011</u>	<u>14,011</u>	<u>14,652</u>	<u>14,652</u>

10 FIXED ASSET INVESTMENTS

	2002 £	2001 £
Interest in subsidiary undertakings at cost at 1 January	17,157	17,157
Investment in year	1	-
Permanent diminution in value	<u>(16,966)</u>	<u>(16,966)</u>
	<u>192</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
The Lourve Company	England and Wales	Ordinary	100%	Dormant

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2002

11 STOCKS

	2002		2001	
	Group	Company	Group	Company
	£	£	£	£
Raw materials and work-in-progress	2,723,513	2,463,493	2,299,916	2,133,354
Finished goods	2,205,219	1,994,035	3,310,497	3,085,116
	<u>4,928,732</u>	<u>4,457,528</u>	<u>5,610,413</u>	<u>5,218,470</u>

12 DEBTORS

	2002		2001	
	Group	Company	Group	Company
	£	£	£	£
Trade debtors	4,967,296	4,917,725	5,214,931	5,092,379
Amount owed by group undertakings less provision	-	528,691	-	410,965
Prepayments and accrued income	273,973	281,991	306,861	250,386
Corporation Tax	52,464	52,464		
	<u>5,293,733</u>	<u>5,780,871</u>	<u>5,521,792</u>	<u>5,753,730</u>

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002		2001	
	Group	Company	Group	Company
	£	£	£	£
Bank overdraft (see note 15)	2,400,957	2,233,493	2,734,842	2,646,128
Bank and other loans (see note 15)	253,516	253,517	269,208	269,208
Amounts due under finance leases (see note 20)	265,111	265,111	304,642	304,643
Trade creditors	3,958,674	3,948,958	4,008,258	3,860,232
Social security and other taxes	679,466	645,081	784,469	738,005
Other creditors and accruals	1,445,557	1,368,734	924,903	887,651
Deferred income (see note 9)	641	641	641	641
Dividends payable	38,280	38,280	29,300	29,300
Corporation tax			-	-
	<u>9,042,202</u>	<u>8,753,815</u>	<u>9,056,263</u>	<u>8,735,808</u>

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002		2001	
	Group	Company	Group	Company
	£	£	£	£
Bank loans (see note 15)	507,564	507,564	761,082	761,082
Amounts due under finance leases (see note 20)	281,270	281,270	364,644	367,552
Deferred income (see note 9)	13,370	13,370	14,011	14,011
Other creditors	394,166	394,166	-	-
	<u>1,196,370</u>	<u>1,196,370</u>	<u>1,139,737</u>	<u>1,142,644</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2002**

**15 BANK LOANS AND OVERDRAFTS**

Bank loans are represented by four loans with capital outstanding at 31 December 2002 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:

	2002		2001	
	Group £	Company £	Group £	Company £
<b>Within one year</b>				
Bank and other borrowings	2,654,474	2,487,010	3,004,656	2,915,336
Finance leases	265,111	265,111	304,642	304,643
<b>After one and within two years</b>				
Bank and other borrowings	226,708	226,708	253,517	253,517
Finance leases	281,270	281,270	364,644	367,552
<b>After two and within five years</b>				
Bank and other borrowings	280,856	280,856	507,564	507,564
	<u>3,708,418</u>	<u>3,540,954</u>	<u>4,435,023</u>	<u>4,348,612</u>

**16 DEFERRED TAXATION**

	2002 £	2001 £
Group and Company		
Balance at 1 January 2002	10,000	10,000
Charge for the year	33,843	-
Balance at 31 December 2002	<u>43,843</u>	<u>10,000</u>

The provision for deferred tax is made up as follows

Accelerated capital allowances	43,843	10,000
	<u>43,843</u>	<u>10,000</u>

**17 CALLED UP SHARE CAPITAL**

	2002 £	2001 £
Authorised		
250,000 ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>
Allotted, issued and fully paid		
Ordinary share capital brought forward	117,200	117,200
Purchase of own equity shares	(21,500)	-
21,500 ordinary shares of £1 each	<u>95,700</u>	<u>117,200</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2002**

**18 OTHER FINANCIAL COMMITMENTS**

The parent company has guaranteed bank borrowings of subsidiary undertakings which amount to £144,694 (2001:£89,319)

**19 RESERVES AND SHAREHOLDERS' FUNDS**

	Profit and loss account £	Capital redemption reserve £	Share capital £	Total shareholders' funds £
<b>Group</b>				
At 1 January 2002	8,396,008	48,800	117,200	8,562,008
Profit for the year	223,916	-	-	223,916
Purchase of own shares	(1,182,500)	21,500	(21,500)	(1,182,500)
At 31 December 2002	<u>7,437,424</u>	<u>70,300</u>	<u>95,700</u>	<u>7,603,424</u>
<b>Company</b>				
At 1 January 2002	8,509,939	48,800	117,200	8,675,939
Profit for the year	406,937	-	-	406,937
Purchase of own shares	(1,182,500)	21,500	(21,500)	(1,182,500)
At 31 December 2002	<u>7,734,376</u>	<u>70,300</u>	<u>95,700</u>	<u>7,900,376</u>

**20 OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS**

	2002 £	2001 £
Within one year	265,111	304,642
After one and within five years	<u>281,270</u>	<u>364,644</u>
	<u>546,380</u>	<u>669,286</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2002**

**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 £207,594 (2001:£766,521)

**22 LEASING COMMITMENTS**

Operating lease payments amounting to £256,507 (2001:£379,497) are within one year. The leases to which these amounts relate expire as follows:-

	2002		2001	
	Land and buildings £	Other £	Land and buildings £	Other £
In one year or less	78,973	177,534	64,714	327,345
Between one and five years	236,918	141,914	194,142	298,725
	<u>315,891</u>	<u>319,448</u>	<u>258,856</u>	<u>626,070</u>

**23 CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 December 2002 or 31 December 2001.

**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**

	2002		2001	
	Group £	Company £	Group £	Company £
Authorised and contracted for	<u>569,000</u>	<u>569,000</u>	<u>-</u>	<u>-</u>

**26 TRANSACTIONS WITH OTHER RELATED PARTIES**

Mr P G 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 £3,135 (2001: £5,101).

The company sold a car to Mr P G FitzGerald in the year at market value for £16,500.

The company purchased Mrs J M Miller's total shareholding in the company (21,500 ordinary shares of £1 each) for a consideration of £55 per share. The share valuation was undertaken by Grant Thornton, Chartered Accountants.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2002**

**27 CONTROLLING RELATED PARTY**

Mr P G 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.

<b>28 NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Operating profit	537,429	693,431
Depreciation	631,998	502,122
Profit/(loss) on sale of assets	(4,430)	5,010
Decrease/(increase) in stock	681,681	21,815
Decrease/(increase) in debtors	247,635	(73,114)
(Decrease)/increase in creditors	(192,694)	338,070
	<u>1,901,620</u>	<u>1,487,334</u>

**29 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Increase/(Decrease) in cash in the year	333,885	(595,861)
Cash outflow from decrease in debt and lease financing	599,709	1,117,277
Change in net debt resulting from cash flows	933,594	521,416
New debt and finance leases	(207,594)	(1,169,547)
Movement in net debt in the year	726,000	(648,131)
Net debt at 1 January	(4,434,418)	(3,786,287)
Net debt at 31 December	<u>(3,708,418)</u>	<u>(4,434,418)</u>

**30 ANALYSIS OF CHANGES IN NET DEBT**

	<b>At 1.1.02</b>	<b>Cash flow</b>	<b>Other non cash</b>	<b>At 31.12.02</b>
	<b>£</b>	<b>£</b>	<b>movements</b>	<b>£</b>
			<b>£</b>	
Cash-in-hand and at bank	-	-	-	-
Overdrafts	(2,734,842)	(333,885)	-	(2,400,957)
		(333,885)		
Debt due after one year	(761,082)	(253,518)	-	(507,564)
Debt due within one year	(269,208)	(15,692)	-	(253,516)
Finance leases	(669,286)	(330,499)	207,594	(546,381)
	<u>(4,434,418)</u>	<u>(933,594)</u>	<u>207,594</u>	<u>(3,708,418)</u>