

**FITZGERALD LIGHTING  
LIMITED**

**FINANCIAL STATEMENTS  
31 DECEMBER 2003**

**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 2003

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:

Barclays Bank plc  
3 Bedford Street  
Exeter  
Devon

Auditors:

Stevens & Willey  
Registered Auditors  
Chartered Certified Accountants  
Barnstaple

**FITZGERALD LIGHTING LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2003**

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**REPORT OF THE DIRECTORS****FOR THE YEAR ENDED 31 DECEMBER 2003**

The directors' present herewith their report together with the financial statements of the group for the year ended 31 December 2003. 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**

Group sales and Profits have improved, but it has been difficult to obtain the desired level of margins. The investment programme will consolidate the performance of the company in future years.

Investment in staff training has been enhanced by the Investors in People programme. Works and staff employees have worked successfully together in the Works Committee and the Health and Safety Committee.

Export sales showed a very small reduction, real growth is planned for 2004.

Martell Lighting Limited improved margins in a difficult market.

Lightform Limited continued to show good growth and has expanded its customer and project base.

**Dividends**

The directors recommend a final dividend amounting to £0.38 per share in addition to the interim dividend paid during the year of £0.53 per share (2002: £0.40 per share final dividend and an interim dividend of £0.16 per share) net for the year ended 31 December 2003, which together absorbs £87,087 (2001: £57,032) 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 31.12.03	As at 31.12.02
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 2003****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 decrease 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 2003**

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

P G FitzGerald  
Director



12.8.2004

**FITZGERALD LIGHTING LIMITED**

**FOR THE YEAR ENDED 31 DECEMBER 2003**

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 2003

**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 2003 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**

*13/8/04*



**PRINCIPAL ACCOUNTING POLICIES  
FOR THE YEAR ENDED 31 DECEMBER 2003**

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 2003****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 2003**

	Note	2003		2002	
		£	£	£	£
Turnover	1		30,778,749		28,481,776
Cost of sales			<u>19,250,888</u>		<u>17,620,898</u>
<b>Gross profit</b>			11,527,861		10,860,878
Distribution and administration expenses			<u>10,782,256</u>		<u>10,323,449</u>
<b>Operating profit</b>	2		745,605		537,429
Interest payable	5		<u>242,662</u>		<u>253,056</u>
<b>Profit on ordinary activities before taxation</b>			502,943		284,373
Taxation	6		<u>28,621</u>		<u>3,425</u>
<b>Profit on ordinary activities after taxation</b>			474,322		280,948
<b>Dividends</b>					
Interim paid		50,721		18,752	
Final proposed		<u>36,366</u>	<u>87,087</u>	<u>38,280</u>	<u>57,032</u>
<b>Retained profit for the year transferred to reserves</b>	19		<u><u>387,235</u></u>		<u><u>223,916</u></u>

In 2003 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 2003**

	Note	2003	2002
		£	£
<b>Fixed assets</b>			
Tangible assets	8	8,384,943	7,663,374
<b>Current assets</b>			
Stocks	11	5,911,061	4,928,732
Debtors	12	<u>5,706,118</u>	<u>5,293,733</u>
		11,617,179	10,222,465
<b>Creditors: amounts falling due within one year</b>	13	<u>(9,524,761)</u>	<u>(9,042,202)</u>
<b>Net current assets</b>		<u>2,092,418</u>	<u>1,180,263</u>
<b>Total assets less current liabilities</b>		10,477,361	8,843,637
<b>Creditors: amounts falling due after more than one year</b>	14	(2,442,859)	(1,196,370)
<b>Provision for liabilities and charges</b>	16	<u>(43,843)</u>	<u>(43,843)</u>
<b>Total net assets</b>		<u><u>7,990,659</u></u>	<u><u>7,603,424</u></u>
<b>Financed by:</b>			
<b>Capital and reserves</b>			
Called up share capital	17	95,700	95,700
Capital redemption reserve	19	70,300	70,300
Profit and loss account	19	<u>7,824,659</u>	<u>7,437,424</u>
<b>Equity shareholders' funds</b>	19	<u><u>7,990,659</u></u>	<u><u>7,603,424</u></u>

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

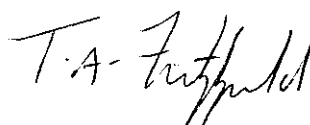
The financial statements were approved by the Board of Directors on 3 June 2004



P G Fitzgerald  
Director

12.8.2004

T A Fitzgerald  
Director



12.8.04.


**COMPANY BALANCE SHEET**

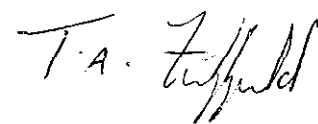
**AS AT 31 DECEMBER 2003**

	Note	2003	2002
		£	£
<b>Fixed assets</b>			
Tangible assets	8	8,381,197	7,655,813
Investment in subsidiaries	10	<u>193</u>	<u>192</u>
		8,381,390	7,656,005
<b>Current assets</b>			
Stocks	11	5,362,097	4,457,528
Debtors	12	<u>5,933,160</u>	<u>5,780,871</u>
		11,295,257	10,238,399
<b>Creditors: amounts falling due within one year</b>	13	<u>(9,012,190)</u>	<u>(8,753,815)</u>
<b>Net current assets</b>		<u>2,283,067</u>	<u>1,484,584</u>
<b>Total assets less current liabilities</b>		10,664,457	9,140,589
<b>Creditors: amounts falling due after more than one year</b>	14	(2,417,676)	(1,196,370)
<b>Provisions for liabilities and charges</b>	16	<u>(43,843)</u>	<u>(43,843)</u>
<b>Total net assets</b>		<u>8,202,938</u>	<u>7,900,376</u>
<b>Financed by:</b>			
<b>Capital and reserves</b>			
Called up share capital	17	95,700	95,700
Capital redemption reserve	19	70,300	70,300
Profit and loss account	19	<u>8,036,938</u>	<u>7,734,376</u>
<b>Equity shareholders' funds</b>	19	<u>8,202,938</u>	<u>7,900,376</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 3 June 2004

  
 P G Fitzgerald  
 Director  
 12-8-2004

T A Fitzgerald  
 Director  
  
 12.8.04.

**CONSOLIDATED CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2003**

	Note	2003 £	2002 £
<b>Net cash inflow from operating activities</b>	28	<u>185,356</u>	<u>1,682,026</u>
<b>Returns on investments and servicing of finance</b>			
Interest paid		(183,913)	(183,904)
Other interest paid		(28,641)	-
Finance lease interest paid		<u>(30,108)</u>	<u>(70,812)</u>
<b>Net cash outflow from returns on investments and servicing of finance</b>		<u>(242,662)</u>	<u>(254,716)</u>
<b>Taxation</b>		<u>55,043</u>	<u>-</u>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(1,395,547)	(698,973)
Proceeds on sale of tangible fixed assets		<u>9,400</u>	<u>45,714</u>
<b>Net cash outflow from capital expenditure and financial investment</b>		<u>(1,386,147)</u>	<u>(653,259)</u>
<b>Equity dividends paid</b>		<u>(89,001)</u>	<u>(48,052)</u>
<b>Net cash outflow before use of liquid resources and financing</b>		<u>(1,477,410)</u>	<u>725,999</u>
<b>Financing</b>			
Debt due within a year - repayment of secured loans		(253,516)	(269,209)
Capital element of finance lease rental payments		(292,706)	(330,499)
New finance entered into in year		3,046,544	207,594
Repayment of debt due over one year		<u>(825,615)</u>	<u>-</u>
<b>Net cash inflow from financing</b>		<u>1,674,707</u>	<u>(392,114)</u>
<b>Increase/(Decrease) in cash</b>	29	<u>197,297</u>	<u>333,885</u>

**FITZGERALD LIGHTING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2003**

**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:

	2003	2002
£	£	£
United Kingdom	28,245,780	25,921,701
Exports - EU	160,585	121,983
Exports - Non EU	<u>2,372,383</u>	<u>2,560,075</u>
	<u>30,778,749</u>	<u>28,481,776</u>

**2 OPERATING PROFIT**

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

	2003	2002
	£	£
Depreciation of tangible fixed assets - owned	482,919	512,090
Depreciation of tangible fixed assets held under finance leases and hire purchase contracts	175,689	119,908
Other operating lease rentals	321,108	175,488
Development grants credited	(641)	(641)
Directors' remuneration	149,880	117,562
Pension to former director	4,296	4,296
Staff costs	7,885,818	7,629,653
Auditors' remuneration	22,000	18,000
- Audit services	22,000	18,000
- Non-audit services	9,000	8,300
(Gains)/losses on foreign currency translation	(133,763)	33,283
Research and development	<u>502,634</u>	<u>469,865</u>

**3 STAFF COSTS (EXCLUDING DIRECTORS)**

	2003	2002
	£	£
Wages and salaries	7,015,525	6,887,286
Social security costs	677,272	547,167
Other pension costs	193,021	195,200
	<u>7,885,818</u>	<u>7,629,653</u>

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

	2003	2002
Office and management	110	98
Production and sales	495	469
	<u>605</u>	<u>567</u>

On average 40 of the above employees were employed for less than 16 hours per week (2002: 65) and have been equated to full time equivalent workers.

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

**FOR THE YEAR ENDED 31 DECEMBER 2003**

<b>4 DIRECTORS' REMUNERATION</b>	<b>2003</b>	<b>2002</b>
	£	£
Fees	15,366	-
Other emoluments	134,514	117,562
Pension contributions	12,200	17,200
Pension payments on behalf of former director	4,296	4,296
	<u>166,376</u>	<u>139,058</u>

During the year 2 directors (2002: 2) were accruing benefits under money purchase schemes.

<b>5 INTEREST PAYABLE</b>	<b>2003</b>	<b>2002</b>
	£	£
On bank loans and overdrafts	183,913	193,451
Lease finance charges	30,108	59,605
Other interest	28,641	-
	<u>242,662</u>	<u>253,056</u>

<b>6 TAXATION</b>	<b>2003</b>	<b>2002</b>
	£	£
<b>(a) Analysis of charge in period</b>		
<b>Corporation tax</b>		
Corporation tax at 19% (2002: 19%)	31,200	1,500
Overprovision prior year	(2,579)	(31,918)
	<u>28,621</u>	<u>(30,418)</u>
<b>Deferred Tax</b>		
Origination and reversal of timing differences	-	33,843
	-	<u>33,843</u>
Tax on profit on ordinary activities	<u>28,621</u>	<u>3,425</u>

**(b) Factors affecting tax charge for the period**

The tax assessed for the current period is lower than the standard rate of corporation tax in the UK (19%). The differences are explained below:

	<b>2003</b>	<b>2002</b>
	£	£
Profit on ordinary activities before tax	502,943	284,373
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2002: 19%)	95,559	54,031
Effects of:		
Expenses not deductible for tax purposes	9,718	5,765
Capital allowances for period in excess of depreciation	(69,522)	(53,572)
Utilisation of tax losses	(4,555)	(4,724)
Adjustments to tax charge in respect of previous periods	(2,579)	(31,918)
	<u>28,621</u>	<u>(30,418)</u>



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2003

7 PROFIT FOR THE FINANCIAL YEAR

The consolidated profit for the year includes a profit of £389,649 (2002: £436,969) 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.

8 FIXED ASSETS

	Freehold property £	Leasehold property £	Plant and equipment £	Machine tools £	Transport £	Total £
<b>The Group</b>						
<b>Cost</b>						
At 1 January 2003	5,299,745	214,000	7,015,468	1,471,828	749,160	14,750,201
Additions	459,827	-	549,131	207,146	179,442	1,395,547
Disposals	-	-	-	-	(63,619)	(63,619)
At 31 December 2003	<u>5,759,572</u>	<u>214,000</u>	<u>7,564,599</u>	<u>1,678,974</u>	<u>864,983</u>	<u>16,082,129</u>
<b>Depreciation</b>						
At 1 January 2003	122,860	12,023	5,319,636	1,194,152	438,156	7,086,826
Provided for the year	-	-	430,901	113,236	114,471	658,608
Disposals	-	-	-	-	(48,249)	(48,249)
At 31 December 2003	<u>122,860</u>	<u>12,023</u>	<u>5,750,537</u>	<u>1,307,387</u>	<u>504,378</u>	<u>7,697,185</u>
<b>Net book values</b>						
At 31 December 2003	<u>5,636,712</u>	<u>201,977</u>	<u>1,814,062</u>	<u>371,587</u>	<u>360,605</u>	<u>8,384,943</u>
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>
<b>The Company</b>						
<b>Cost</b>						
At 1 January 2003	5,299,745	214,000	6,845,533	1,471,828	708,397	14,539,503
Additions	459,827	-	544,511	207,146	179,442	1,390,927
Disposals	-	-	-	-	(42,149)	(42,149)
At 31 December 2003	<u>5,759,572</u>	<u>214,000</u>	<u>7,390,044</u>	<u>1,678,974</u>	<u>845,690</u>	<u>15,888,281</u>
<b>Depreciation</b>						
At 1 January 2003	122,860	12,023	5,164,273	1,179,352	405,182	6,883,690
Provided for the year	-	-	426,498	113,236	114,471	654,205
Disposals	-	-	-	-	(30,811)	(30,811)
At 31 December 2003	<u>122,860</u>	<u>12,023</u>	<u>5,590,771</u>	<u>1,292,587</u>	<u>488,843</u>	<u>7,507,084</u>
<b>Net book values</b>						
At 31 December 2003	<u>5,636,712</u>	<u>201,977</u>	<u>1,799,273</u>	<u>386,387</u>	<u>356,848</u>	<u>8,381,197</u>
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>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2003

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>1,077,535</u>	<u>468,965</u>	<u>1,077,535</u>	<u>468,965</u>
Depreciation provided in the year	<u>78,892</u>	<u>96,797</u>	<u>78,892</u>	<u>96,797</u>
Net book value at 31 December 2003	<u>780,532</u>	<u>316,212</u>	<u>780,532</u>	<u>316,212</u>

9 FIXED ASSET DEVELOPMENT GRANT

	2003		2002	
	Group £	Company £	Group £	Company £
At 1 January 2003	14,011	14,011	14,652	14,652
Credited to profit and loss account	(641)	(641)	(641)	(641)
At 31 December 2003	<u>13,370</u>	<u>13,370</u>	<u>14,011</u>	<u>14,011</u>

10 FIXED ASSET INVESTMENTS

	2003 £	2002 £
Interest in subsidiary undertakings at cost at 1 January	17,158	17,157
Investment in year	1	1
Permanent diminution in value	<u>(16,966)</u>	<u>(16,966)</u>
	<u>193</u>	<u>192</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 Louvre Company	England and Wales	Ordinary	100%	Dormant
City Conversions Limited	England and Wales	Ordinary	100%	Dormant

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

**FOR THE YEAR ENDED 31 DECEMBER 2003**

**11 STOCKS**

	2003		2002	
	Group £	Company £	Group £	Company £
Raw materials and work-in-progress	3,013,016	2,702,878	2,723,513	2,463,493
Finished goods	2,898,045	2,659,219	2,205,219	1,994,035
	<u>5,911,061</u>	<u>5,362,097</u>	<u>4,928,732</u>	<u>4,457,528</u>

**12 DEBTORS**

	2003		2002	
	Group £	Company £	Group £	Company £
Trade debtors	5,380,320	4,980,225	4,967,296	4,917,725
Amount owed by group undertakings less provision	-	614,858	-	528,691
Prepayments and accrued income	325,798	338,077	273,973	281,991
Corporation Tax	-	-	52,464	52,464
	<u>5,706,118</u>	<u>5,933,160</u>	<u>5,293,733</u>	<u>5,780,871</u>

**13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2003		2002	
	Group £	Company £	Group £	Company £
Bank overdraft (see note 15)	2,203,660	1,993,982	2,400,957	2,233,493
Bank and other loans (see note 15)	250,000	250,000	253,516	253,517
Amounts due under finance leases (see note 20)	327,221	327,221	265,111	265,111
Trade creditors	4,326,797	4,107,665	3,958,674	3,948,958
Social security and other taxes	750,046	719,132	679,466	645,081
Other creditors and accruals	1,598,830	1,555,183	1,445,557	1,368,734
Deferred income (see note 9)	641	641	641	641
Dividends payable	36,366	36,366	38,280	38,280
Corporation tax	31,200	22,000	-	-
	<u>9,524,761</u>	<u>9,012,190</u>	<u>9,042,202</u>	<u>8,753,815</u>

**14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2003		2002	
	Group £	Company £	Group £	Company £
Bank loans (see note 15)	1,931,949	1,931,949	507,564	507,564
Amounts due under finance leases (see note 20)	472,998	472,998	281,270	281,270
Deferred income (see note 9)	12,729	12,729	13,370	13,370
Other creditors	25,183	-	394,166	394,166
	<u>2,442,859</u>	<u>2,417,676</u>	<u>1,196,370</u>	<u>1,196,370</u>

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

**FOR THE YEAR ENDED 31 DECEMBER 2003**

**15 BANK LOANS AND OVERDRAFTS**

In May 2003 the company moved bankers from NatWest plc to Barclays plc and restructured the company's borrowing.

The bank loan of US\$4,100,000 (£2,500,000) is repayable over 10 years at the currency equivalent of £250,000 per year.

The bank loan 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:

	2003		2002	
	Group	Company	Group	Company
	£	£	£	£
<b>Within one year</b>				
Bank and other borrowings	2,453,660	2,243,982	2,654,474	2,487,010
Finance leases	327,221	327,221	265,111	265,111
<b>After one and within two years</b>				
Bank and other borrowings	250,000	250,000	226,708	226,708
Finance leases	262,849	262,849	281,270	281,270
<b>After two and within five years</b>				
Bank and other borrowings	750,000	750,000	280,856	280,856
Finance leases	210,149	210,149	-	-
<b>After five years</b>				
Bank and other borrowings	931,949	931,949	-	-
	<u>5,185,828</u>	<u>4,976,150</u>	<u>3,708,418</u>	<u>3,540,954</u>

**16 DEFERRED TAXATION**

	2003	2002
	£	£
Group and Company		
Balance at 1 January 2003	43,843	10,000
Charge for the year	-	33,843
Balance at 31 December 2003	<u>43,843</u>	<u>43,843</u>

The provision for deferred tax is made up as follows

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

**17 CALLED UP SHARE CAPITAL**

	2003	2002
	£	£
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	95,700	117,200
Purchase of own equity shares	-	(21,500)
21,500 ordinary shares of £1 each	<u>95,700</u>	<u>95,700</u>

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

**FOR THE YEAR ENDED 31 DECEMBER 2003**

**18 OTHER FINANCIAL COMMITMENTS**

The parent company has guaranteed bank borrowings of subsidiary undertakings which amount to £241,791 (2002:£144,694)

**19 RESERVES AND SHAREHOLDERS' FUNDS**

	Profit and loss account £	Capital redemption reserve £	Share capital £	Total shareholders' funds £
<b>Group</b>				
At 1 January 2003	7,437,424	70,300	95,700	7,603,424
Profit for the year	387,235	-	-	387,235
At 31 December 2003	<u>7,824,659</u>	<u>70,300</u>	<u>95,700</u>	<u>7,990,659</u>
<b>Company</b>				
At 1 January 2003	7,734,376	70,300	95,700	7,900,376
Profit for the year	302,562	-	-	302,562
At 31 December 2003	<u>8,036,938</u>	<u>70,300</u>	<u>95,700</u>	<u>8,202,938</u>

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

	2003 £	2002 £
Within one year	327,221	265,111
After one and within five years	<u>472,998</u>	<u>281,270</u>
	<u>800,219</u>	<u>546,380</u>

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

**FOR THE YEAR ENDED 31 DECEMBER 2003**

**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 £546,544 (2002:£207,594)

**22 LEASING COMMITMENTS**

Operating lease payments amounting to £347,698 (2002:£256,507) are within one year.  
The leases to which these amounts relate expire as follows:-

	2003		2002	
	Land and buildings £	Other £	Land and buildings £	Other £
In one year or less	64,714	282,984	78,973	177,534
Between one and five years	194,142	405,035	236,918	141,914
In five years or more	582,426	-	647,140	-
	<u>841,282</u>	<u>688,019</u>	<u>963,031</u>	<u>319,448</u>

**23 CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 December 2003 or 31 December 2002.

**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**

	2003		2002	
	Group £	Company £	Group £	Company £
Authorised and contracted for	<u>96,190</u>	<u>96,190</u>	<u>569,000</u>	<u>569,000</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 £5,313 (2002: £3,135).

The company sold a car to Mr T A FitzGerald in the year at market value for £3,500.

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

**FOR THE YEAR ENDED 31 DECEMBER 2003**

**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>2003</b>	<b>2002</b>
	£	£
Operating profit	745,605	537,429
Depreciation	658,608	631,998
Profit/(loss) on sale of assets	(1,938)	(4,430)
Decrease/(increase) in stock	(982,329)	681,681
Decrease/(increase) in debtors	(413,024)	247,635
(Decrease)/increase in creditors	178,435	(412,288)
	<u>185,356</u>	<u>1,682,026</u>

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

	<b>2003</b>	<b>2002</b>
	£	£
Increase/(Decrease) in cash in the year	197,297	333,885
Cash outflow from decrease in debt and lease financing	1,371,837	599,709
Change in net debt resulting from cash flows	1,569,134	933,594
New debt and finance leases	<u>(3,046,544)</u>	<u>(207,594)</u>
Movement in net debt in the year	(1,477,410)	726,000
Net debt at 1 January	<u>(3,708,418)</u>	<u>(4,434,418)</u>
Net debt at 31 December	<u>(5,185,828)</u>	<u>(3,708,418)</u>

**30 ANALYSIS OF CHANGES IN NET DEBT**

	<b>At 1.1.03</b>	<b>Cash flow</b>	<b>Other non cash movements</b>	<b>At 31.12.03</b>
	£	£	£	£
Cash-in-hand and at bank	-	-	-	-
Overdrafts	(2,400,957)	<u>(197,297)</u>	-	(2,203,660)
		(197,297)		
Debt due after one year	(507,564)	(825,615)	2,250,000	(1,931,949)
Debt due within one year	(253,516)	(253,516)	250,000	(250,000)
Finance leases	(546,381)	(292,706)	546,544	(800,219)
	<u>(3,708,418)</u>	<u>(1,569,134)</u>	<u>3,046,544</u>	<u>(5,185,828)</u>