FITZGERALD LIGHTING LIMITED

FINANCIAL STATEMENTS
31 December 2005

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 2005

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:	Lloyds TSB Bank plc 11 Treyew Road Truro Cornwall
Auditors:	Stevens & Willey Registered Auditors Chartered Certified Accountants Barnstaple

FITZGERALD LIGHTING LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2005

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FITZGERALD LIGHTING LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 December 2005

The directors' present herewith their report together with the financial statements of the group for the year ended 31 December 2005. 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 design, manufacture and distribution of lighting fixtures and control products.

Review of the business

The Directors present their report for the 12 months ending 31st December 2005.

The past year has been one of the most challenging since the Company commenced operations in 1972. A major reorganisation under lean methods of the Bodmin production has been undertaken, resulting in an extraordinary loss of £1m, this in addition to the trading loss for the year of £700k. A revaluation credit has been taken for buildings being sold.

The Lightform business was successfully split in December 2005 with the opening of a dedicated Sales Studio in London and a separate manufacturing facility in Bodmin.

We anticipate further reorganisation costs in 2006 as a result of changes to accommodate the more varied demands in efficient lighting.

Dividends

The directors do not recommend the payment of dividend for the year and the final dividend for the year ended 31 December 2004 (£0.53 per share) remains unpaid.

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 31.12.05	As at 31.12.04
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.

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_2 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 2005

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 26-10-2006

REPORT OF THE AUDITORS TO THE MEMBERS OF

FITZGERALD LIGHTING LIMITED

FOR THE YEAR ENDED 31 December 2005

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 matter 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.

REPORT OF THE AUDITORS TO THE MEMBERS OF

FITZGERALD LIGHTING LIMITED

FOR THE YEAR ENDED 31 December 2005

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 2005 and of the loss 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

26/10/06

PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 December 2005

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 ASSETS

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 including the investment property 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. In the year there were no material timing differences from those provided at 31 December 2004.

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 2005

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.

FITZGERALD LIGHTING LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2005

	Note		2005		2004
		£	£	£	£
Turnover	1		28,289,774		31,293,528
Cost of sales			16,590,444		19,536,101
Gross profit			11,699,330		11,757,427
Distribution and administration expenses			11,965,506		11,596,760
Operating loss	2		(266,176)		160,667
Interest payable	5		445,325		273,293
Loss on ordinary activities before taxation			(711,501)		(112,626)
Taxation	6		-		(31,152)
Loss on ordinary activities after taxation			(711,501)		(81,474)
Extraordinary item					
Reorganisation costs	7		1,006,655		-
			(1,718,156)		(81,474)
Dividends					
Final proposed (cancelled in 2005)		(50,721)	(50,721)	50,721	50,721
Retained loss for the year transferred to reserves	19		(1,667,435)		(132,195)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 DECEMBER 2005

	2005	2004
	£	£
Loss for the year attributable to shareholders of the company	(1,718,156)	(81,474)
Unrealised gain on revaluation of investment property	366,970	-
Total recognised gains and losses for the year	(1,351,186)	(81,474)

In 2005 all results were derived from continuing operations.

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

FITZGERALD LIGHTING LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2005

	Note		2005		2004
		£	£	£	£
Fixed assets					
Tangible assets	8		8,667,792		8,672,369
Current assets					
Stocks	11	4,340,583		6,428,696	
Debtors	12	5,052,553		5,319,328	
		9,393,136		11,748,024	
Creditors: amounts falling due within one year	13	(9,636,019)		(10,339,324)	
Net current assets			(242,883)		1,408,700
Total assets less current liabilities			8,424,909		10,081,069
Creditors: amounts falling due after more than one year	14		(1,823,067)		(2,178,762)
Provision for liabilities and charges	16		(43,843)		(43,843)
Total net assets			6,557,999		7,858,464
Financed by:					
Capital and reserves					
Called up share capital	17		95,700		95,700
Capital redemption reserve	19		70,300		70,300
Revaluation reserve	19		366,970		-
Profit and loss account	19		6,025,029		7,692,464
Equity shareholders' funds	19		6,557,999		7,858,464

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

26-10-2006

T A FitzGerald

P G FitzGerald
Director

T A FitzGerald
Director

FITZGERALD LIGHTING LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2005

	Note		2005		2004
		£	£	£	£
Fixed assets					
Tangible assets	8		7,389,881		8,610,522
Investment property	10		1,225,000		-
Investment in subsidiaries	10		193		193
			8,615,074		8,610,715
Current assets					
Stocks	11	4,050,856		6,011,778	
Debtors	12	5,701,746		5,923,593	
		9,752,602		11,935,371	
Creditors: amounts falling due within one year	13	(9,594,060)		(9,987,204)	
Net current assets			158,542		1,948,167
Total assets less current liabilities			8,773,616		10,558,882
Creditors: amounts falling due after more than one year	14		(1,819,773)		(2,237,746)
Provisions for liabilities and charges	16		(43,843)		(43,843)
Total net assets			6,910,000		8,277,293
Financed by:					
Capital and reserves					
Called up share capital	17		95,700		95,700
Capital redemption reserve	19		70,300		70,300
Revaluation reserve	19		366,970		-
Profit and loss account	19		6,377,030		8,111,293
Equity shareholders' funds	19		6,910,000		8,277,293

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 26-10-2006

P G FitzGerald
Director

T A FitzGerald
Director

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2005

	Note	2005	2004
		£	£
Net cash inflow from operating activities	28	1,417,962	546,825
Returns on investments and servicing of finance			
Interest paid		(384,333)	(212,946)
Other interest paid		(11,792)	(18,548)
Finance lease interest paid		(49,200)	(41,799)
Net cash outflow from returns on investments and servicing of finance		(445,325)	(273,293)
Taxation		31,500	(22,348)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(373,771)	(1,130,088)
Proceeds on sale of tangible fixed assets		-	36,150
Net cash outflow from capital expenditure and financial investment		(373,771)	(1,093,938)
Equity dividends paid		-	(36,366)
Net cash inflow/outflow before use of liquid resources and financing		630,366	(879,120)
Financing			
Capital element of finance lease rental payments		(488,024)	(445,536)
New finance entered into in year		200,303	692,650
Repayment of debt due over one year		(109,206)	(370,451)
Net cash outflow from financing		(396,927)	(123,337)
Increase/(Decrease) in cash	29	233,439	(1,002,457)

FITZGERALD LIGHTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005

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:

		2005		2004
	£	£	£	£
United Kingdom		25,367,897		28,178,905
Exports - EU	768,833		51,429	
Exports - Non EU	2,153,044	2,921,877	3,063,194	3,114,623
		28,289,774		31,293,528

2 OPERATING PROFIT

		2005	2004
		£	£
The operating loss/profit is stated after charging/(crediting):			
Depreciation of tangible fixed assets - owned		489,492	593,940
Depreciation of tangible fixed assets held under finance leases and hire purchase contracts		217,540	214,428
Other operating lease rentals		343,568	307,446
Development grants credited		(641)	(641)
Directors' remuneration		111,142	125,358
Pension to former director		4,311	4,296
Staff costs		8,614,774	8,713,660
Auditors' remuneration	- Audit services	18,000	22,000
	- Non-audit services	3,500	6,500
Loss/(Gains) on foreign currency translation		140,030	(73,657)
Research and development		426,888	540,269

3 STAFF COSTS (EXCLUDING DIRECTORS)

	2005	2004
	£	£
Wages and salaries	7,838,656	7,764,540
Social security costs	585,152	754,764
Other pension costs	190,967	194,356
	8,614,774	8,713,660

	2005	2004
The average weekly number of employees during the year was as follows:		
Office, mangagement and sales	140	142
Production	425	464
	565	606

On average 65 of the above employees were employed for less than 16 hours per week (2004: 38) and have been equated to full time equivalent workers.

FITZGERALD LIGHTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2005

4 DIRECTORS' REMUNERATION	2005	2004
	£	£
Fees	16,644	16,666
Other emoluments	94,498	108,692
Pension contributions	27,400	-
Pension payments on behalf of former director	4,311	4,296
	142,853	129,654

During the year 2 directors (2004: 2) were accruing benefits under money purchase schemes.

5 INTEREST PAYABLE	2005	2004
	£	£
On bank loans and overdrafts	384,333	212,946
Lease finance charges	49,200	41,799
Other interest	11,792	18,548
	445,325	273,293

6 TAXATION	2005	2004
	£	£
(a) Analysis of charge in period		
Corporation tax		
Corporation tax at 19% (2004: 19%)	-	(22,300)
Under/(Over) provision prior year	-	348
	-	(21,952)
Deferred Tax		
Origination and reversal of timing differences	-	-
	-	-
Tax on profit on ordinary activities	-	(21,952)

(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:

	2005	2004
	£	£
Loss on ordinary activities before tax	(711,501)	(112,626)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2004: 19%)	(135,185)	(21,399)
Effects of:		
Expenses not deductible for tax purposes	68,186	36,081
Capital allowances for period in excess of depreciation	66,999	7,270
Utilisation of tax losses	-	-
Adjustments to tax charge in respect of previous periods	-	-
	-	21,952

7 LOSS FOR THE FINANCIAL YEAR AND EXTRAORDINARY ITEM

-The consolidated loss for the year includes a loss after extraordinary item of £1,784,984 (2004: £125,076 - profit) 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.

The extraordinary item of £1,006,655 relates to business reorganisation costs across the group operations.

8 FIXED ASSETS

	Freehold property	Investment property	Leasehold property	Plant and equipment	Machine tools	Transport	Total
	£	£	£	£	£	£	£
The Group							
Cost							
At 1 January 2005	5,805,098	-	214,000	8,307,359	1,823,587	986,165	17,136,210
Revaluation	366,970	-	-	-	-	-	366,970
Transfer to investments	(1,225,000)	1,225,000	-	-	-	-	-
Additions	-	-	-	78,695	139,733	155,343	373,771
Disposals	-	-	-	(55,500)	-	(108,548)	(164,048)
At 31 December 2005	4,947,068	1,225,000	214,000	8,330,554	1,963,320	1,032,960	17,712,903
Depreciation							
At 1 January 2005	122,860	-	12,023	6,226,740	1,488,981	613,237	8,463,841
Provided for the year	-	-	-	392,183	180,174	134,675	707,032
Disposals	-	-	-	(55,500)	-	(70,262)	(125,762)
At 31 December 2005	122,860	-	12,023	6,563,423	1,669,155	677,650	9,045,111
Net book values							
At 31 December 2005	4,824,208	1,225,000	201,977	1,767,131	294,165	355,310	8,667,792
At 31 December 2004	5,682,238	-	201,977	2,080,620	334,606	372,928	8,672,369

	Freehold property	Leasehold property	Plant and equipment	Machine tools	Transport	Total
	£	£	£	£	£	£
The Company						
Cost						
At 1 January 2005	5,805,098	214,000	8,057,481	1,823,586	966,873	16,867,038
Revaluation	366,970	-	-	-	-	366,970
Transfer to investments	(1,225,000)	-	-	-	-	(1,225,000)
Additions	-	-	78,695	139,733	155,343	373,771
Disposals	-	-	(55,500)	-	(94,255)	(149,755)
At 31 December 2005	4,947,068	214,000	8,080,676	1,963,319	1,027,961	16,233,024
Depreciation						
At 1 January 2005	122,860	12,023	6,050,268	1,474,181	597,188	8,256,520
Provided for the year	-	-	382,730	180,174	133,138	696,042
Disposals	-	-	(55,500)	-	(53,919)	(109,419)
At 31 December 2005	122,860	12,023	6,377,498	1,654,355	676,407	8,843,143
Net book values						
At 31 December 2005	4,824,208	201,977	1,703,178	308,964	351,554	7,389,881
At 31 December 2004	5,682,238	201,977	2,007,213	349,405	369,685	8,610,518

The external valuation of property Units 1 and 2, Sydenham was undertaken by Alder King property consultants at an open market value of £1,225,000. The historic cost of these properties was £858,030. This building ceased being used for production purposes and is now used for investment purposes.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2005

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	1,304,614	363,220	1,304,614	363,220
Depreciation provided in the year	167,710	49,830	167,710	49,830
Net book value at 31 December 2005	924,681	260,852	924,681	260,852

9 FIXED ASSET DEVELOPMENT GRANT

	2005		2004	
	Group	Company	Group	Company
	£	£	£	£
At 1 January 2005	12,729	12,729	13,370	13,370
Credited to profit and loss account	(641)	(641)	(641)	(641)
At 31 December 2005	12,088	12,088	12,729	12,729

10 FIXED ASSET INVESTMENTS

	2005	2004
	£	£
Interest in subsidiary undertakings at cost at 1 January	17,159	17,159
Investment in year	-	-
Permanent diminution in value	(16,966)	(16,966)
	193	193
Transfer of freehold property into investments	1,225,000	-
	1,225,000	-

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%	Dormant
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 2005

11 STOCKS

	2005		2004	
	Group	Company	Group	Company
	£	£	£	£
Raw materials and work-in-progress	2,125,450	1,936,442	2,737,509	2,427,902
Finished goods	2,215,133	2,114,414	3,691,187	3,583,876
	4,340,583	4,050,856	6,428,696	6,011,778

12 DEBTORS

	2005		2004	
	Group	Company	Group	Company
	£	£	£	£
Trade debtors	4,859,449	4,715,391	5,091,624	5,038,602
Amount owed by group undertakings less provision	-	706,142	-	649,264
Prepayments and accrued income	193,104	280,213	196,204	213,427
Corporation Tax	-	-	31,500	22,300
	5,052,553	5,701,746	5,319,328	5,923,593

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005		2004	
	Group	Company	Group	Company
	£	£	£	£
Bank overdraft (see note 15)	2,972,678	2,972,060	3,206,117	3,023,830
Bank and other loans (see note 15)	250,000	238,292	250,000	250,000
Amounts due under finance leases (see note 20)	415,284	415,284	467,340	467,340
Trade creditors	4,235,925	4,267,871	4,182,749	4,144,913
Social security and other taxes	691,602	643,241	781,685	742,218
Other creditors and accruals	1,069,889	1,056,671	1,400,071	1,307,541
Deferred income (see note 9)	641	641	641	641
Dividends payable	-	-	50,721	50,721
	9,636,019	9,594,060	10,339,324	9,987,204

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2005		2004	
	Group	Company	Group	Company
	£	£	£	£
Bank loans (see note 15)	1,452,292	1,463,999	1,561,498	1,561,498
Amounts due under finance leases (see note 20)	344,328	344,328	579,993	579,993
Deferred income (see note 9)	11,446	11,446	12,088	12,088
Other creditors	15,001	-	25,183	84,167
	1,823,067	1,819,773	2,178,762	2,237,746

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2005

15 BANK LOANS AND OVERDRAFTS

The bank loan 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:

	2005		2004	
	Group	Company	Group	Company
	£	£	£	£
Within one year				
Bank and other borrowings	3,222,678	3,210,352	3,456,117	3,273,830
Finance leases	415,284	415,284	467,340	467,340
After one and within two years				
Bank and other borrowings	250,000	250,000	334,167	250,000
Finance leases	174,755	174,755	366,001	366,000
After two and within five years				
Bank and other borrowings	750,000	750,000	750,000	750,000
Finance leases	169,573	169,573	213,993	213,993
After five years				
Bank and other borrowings	463,999	463,999	561,498	561,498
	5,446,289	5,433,963	6,149,115	5,882,661

16 DEFERRED TAXATION

	2005	2004
	£	£
Group and Company		
At 1 January 2005	43,843	43,843
Charge for the year	-	-
At 31 December 2005	43,843	43,843

The provision for deferred tax is made up as follows

Accelerated capital allowances	43,843	43,843
	43,843	43,843

17 CALLED UP SHARE CAPITAL

	2005	2004
	£	£
Authorised		
250,000 ordinary shares of £1 each	250,000	250,000
Allotted, issued and fully paid		
Ordinary share capital brought forward	95,700	95,700
21,500 ordinary shares of £1 each	95,700	95,700

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2005

18 OTHER FINANCIAL COMMITMENTS

The parent company has guaranteed bank borrowings of subsidiary undertakings which amount to £29,006 (2004:£182,287)

19 RESERVES AND SHAREHOLDERS' FUNDS

	Profit and loss account	Revaluation reserve	Capital redemption reserve	Share capital	Total shareholders' funds
	£	£	£	£	£
Group					
At 1 January 2005	7,692,464	-	70,300	95,700	7,858,464
Loss for the Year	(1,667,435)		-	-	(1,667,435)
Revaluation in the Year		366,970			366,970
At 31 December 2005	6,025,029	366,970	70,300	95,700	6,557,999
Company					
At 1 January 2005	8,111,293	-	70,300	95,700	8,277,293
Loss for the Year	(1,734,263)		-	-	(1,734,263)
Revaluation in the Year		366,970			366,970
At 31 December 2005	6,377,030	366,970	70,300	95,700	6,910,000

20 OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	2005	2004
	£	£
Within one year	415,284	467,340
After one and within five years	344,328	579,993
	759,612	1,047,333

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2005

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 £200,303 (2004:£692,650)

22 LEASING COMMITMENTS

Operating lease payments amounting to £273,849 (2004:£361,417) are within one year.
The leases to which these amounts relate expire as follows:-

	2005		2004	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
In one year or less	74,876	198,973	66,500	294,917
Between one and five years	170,752	293,527	180,000	545,322
In five years or more	80,000	-	360,000	-
	325,628	492,500	606,500	840,239

23 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2005 or 31 December 2004.

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

	2005		2004	
	Group	Company	Group	Company
	£	£	£	£
Authorised and contracted for	-	-	-	-

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 £4,901 (2004: £4,794).

27 POST BALANCE SHEET EVENTS

The Investment Property is currently for sale and an interested party is looking to acquire one half of the building.

The company changed its bankers from Barclays Plc to Lloyds TSB Plc in March 2006.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2005

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.

28 NET CASH FLOW FROM OPERATING ACTIVITIES

	2005	2004
	£	£
Operating (loss)/profit	(266,176)	160,667
Depreciation	707,032	808,368
Profit/(loss) on sale of assets	-	1,858
Decrease/(increase) in stock	2,088,113	(517,635)
Decrease/(increase) in debtors	235,275	288,696
(Decrease)/increase in creditors	(1,346,282)	(195,129)
	1,417,962	546,825

29 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2005	2004
	£	£
Increase/(Decrease) in cash in the year	233,439	(1,002,457)
Cash outflow from decrease in debt and lease financing	597,230	815,987
Change in net debt resulting from cash flows	830,669	(186,470)
New debt and finance leases	(200,303)	(692,650)
Movement in net debt in the year	630,366	(879,120)
Net debt at 1 January	(6,064,948)	(5,185,828)
Net debt at 31 December	(5,434,582)	(6,064,948)

30 ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.05	Cash flow	Other non cash movements	At 31.12.05
	£	£	£	£
Cash-in-hand and at bank	-	-	-	-
Overdrafts	(3,206,117)	(233,439)	-	(2,972,678)
		(233,439)		
Debt due after one year	(1,561,498)	(109,206)	-	(1,452,292)
Debt due within one year	(250,000)	-	-	(250,000)
Finance leases	(1,047,333)	(488,024)	200,303	(759,612)
	(6,064,948)	(830,669)	200,303	(5,434,582)