

**FITZGERALD LIGHTING
LIMITED**

FINANCIAL STATEMENTS
31 December 2004

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 2004

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 2004

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

REPORT OF THE DIRECTORS**FOR THE YEAR ENDED 31 December 2004**

The directors' present herewith their report together with the financial statements of the group for the year ended 31 December 2004. 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 company's actual sales growth was by virtue of increased emphasis on specification business. The costs of changing together with pressure on commodity pricing and raw material increases unfortunately impacted on profitability. The group figures include losses.

The directors believe that the current initiatives will leave the group well placed for the future.

Export sales have shown good growth as forecasted for 2004.

Martell Lighting Ltd had a good sales performance but profit was compromised by highly competitive imports with losses due to costs and stock problems with integration of Martell into Fitzgerald at the year end, these one off exceptional costs amounted to £139,235.

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

Dividends

The directors recommend a final dividend amounting to £0.53 per share. (2003: £0.38 per share final dividend and an interim dividend of £0.53 per share) net for the year ended 31 December 2004, which together absorbs £50,271 (2003: £87,087) 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 31.12.04	As at 31.12.03
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
	<u> </u>	<u> </u>

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

REPORT OF THE DIRECTORS (CONTINUED)**FOR THE YEAR ENDED 31 December 2004****Fixed Assets**

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the financial statements. A formal valuation of the Freehold properties held by the company was undertaken in the Year and was substantially in excess of the carrying values.

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 CO₂ 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 2004

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
29 July 2005

FITZGERALD LIGHTING LIMITED

FOR THE YEAR ENDED 31 December 2004

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 2004

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 2004 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**

29 July 2005

PRINCIPAL ACCOUNTING POLICIES**FOR THE YEAR ENDED 31 December 2004**

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 2004****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 2004

	Note	2004		2003	
		£	£	£	£
Turnover	1		31,293,528		30,778,749
Cost of sales			<u>19,536,101</u>		<u>19,250,888</u>
Gross profit			11,757,427		11,527,861
Distribution and administration expenses			<u>11,596,760</u>		<u>10,782,256</u>
Operating profit	2		160,667		745,605
Interest payable	5		<u>273,293</u>		<u>242,662</u>
Profit on ordinary activities before taxation			(112,626)		502,943
Taxation	6		<u>(31,152)</u>		<u>28,621</u>
Profit on ordinary activities after taxation			(81,474)		474,322
Dividends					
Interim paid		-		50,721	
Final proposed		<u>50,721</u>	<u>50,721</u>	<u>36,366</u>	<u>87,087</u>
Retained profit for the year transferred to reserves	19		<u><u>(132,195)</u></u>		<u><u>387,235</u></u>

In 2004 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 2004

	Note	2004	2003
		£	£
Fixed assets			
Tangible assets	8	8,672,369	8,384,943
Current assets			
Stocks	11	6,428,696	5,911,061
Debtors	12	<u>5,319,328</u>	<u>5,706,118</u>
		11,748,024	11,617,179
Creditors: amounts falling due within one year	13	<u>(10,339,324)</u>	<u>(9,524,761)</u>
Net current assets		<u>1,408,700</u>	<u>2,092,418</u>
Total assets less current liabilities		10,081,069	10,477,361
Creditors: amounts falling due after more than one year	14	(2,178,762)	(2,442,859)
Provision for liabilities and charges	16	<u>(43,843)</u>	<u>(43,843)</u>
Total net assets		<u>7,858,464</u>	<u>7,990,659</u>
Financed by:			
Capital and reserves			
Called up share capital	17	95,700	95,700
Capital redemption reserve	19	70,300	70,300
Profit and loss account	19	<u>7,692,464</u>	<u>7,824,659</u>
Equity shareholders' funds	19	<u>7,858,464</u>	<u>7,990,659</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 29 July 2005



P G Fitzgerald
Director



T A Fitzgerald
Director

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2004

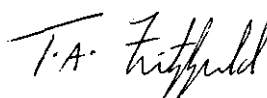
	Note	£	2004 £	£	2003 £
Fixed assets					
Tangible assets	8		8,610,522		8,381,197
Investment in subsidiaries	10		<u>193</u>		<u>193</u>
			8,610,715		8,381,390
Current assets					
Stocks	11	6,011,778		5,362,097	
Debtors	12	<u>5,923,593</u>		<u>5,933,160</u>	
		11,935,371		11,295,257	
Creditors: amounts falling due within one year					
	13	<u>(9,987,204)</u>		<u>(9,012,190)</u>	
Net current assets			<u>1,948,167</u>		<u>2,283,067</u>
Total assets less current liabilities			10,558,882		10,664,457
Creditors: amounts falling due after more than one year					
	14		(2,237,746)		(2,417,676)
Provisions for liabilities and charges					
	16		<u>(43,843)</u>		<u>(43,843)</u>
Total net assets			<u>8,277,293</u>		<u>8,202,938</u>
Financed by:					
Capital and reserves					
Called up share capital	17		95,700		95,700
Capital redemption reserve	19		70,300		70,300
Profit and loss account	19		<u>8,111,293</u>		<u>8,036,938</u>
Equity shareholders' funds	19		<u>8,277,293</u>		<u>8,202,938</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 29 July 2005



P G Fitzgerald
Director



T A Fitzgerald
Director

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2004

	Note	2004 £	2003 £
Net cash inflow from operating activities	28	<u>546,825</u>	<u>185,356</u>
Returns on investments and servicing of finance			
Interest paid		(212,946)	(183,913)
Other interest paid		(18,548)	(28,641)
Finance lease interest paid		<u>(41,799)</u>	<u>(30,108)</u>
Net cash outflow from returns on investments and servicing of finance		<u>(273,293)</u>	<u>(242,662)</u>
Taxation		<u>(22,348)</u>	<u>55,043</u>
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(1,130,088)	(1,395,547)
Proceeds on sale of tangible fixed assets		<u>36,150</u>	<u>9,400</u>
Net cash outflow from capital expenditure and financial investment		<u>(1,093,938)</u>	<u>(1,386,147)</u>
Equity dividends paid		<u>(36,366)</u>	<u>(89,001)</u>
Net cash outflow before use of liquid resources and financing		<u>(879,120)</u>	<u>(1,477,410)</u>
Financing			
Debt due within a year - repayment of secured loans		-	(253,516)
Capital element of finance lease rental payments		(445,536)	(292,706)
New finance entered into in year		692,650	3,046,544
Repayment of debt due over one year		<u>(370,451)</u>	<u>(825,615)</u>
Net cash inflow from financing		<u>(123,337)</u>	<u>1,674,707</u>
Increase/(Decrease) in cash	29	<u>(1,002,457)</u>	<u>197,297</u>

FITZGERALD LIGHTING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004

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:

	2004	2003
£	£	£
United Kingdom	28,178,905	28,245,780
Exports - EU	51,429	160,585
Exports - Non EU	<u>3,063,194</u>	<u>2,372,383</u>
	<u><u>31,293,528</u></u>	<u><u>30,778,749</u></u>

2 OPERATING PROFIT

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

	2004	2003
	£	£
Depreciation of tangible fixed assets - owned	593,940	482,919
Depreciation of tangible fixed assets held under finance leases and hire purchase contracts	214,428	175,689
Other operating lease rentals	307,446	321,108
Development grants credited	(641)	(641)
Directors' remuneration	125,358	149,880
Pension to former director	4,296	4,296
Staff costs	8,713,660	7,885,818
Auditors' remuneration	22,000	22,000
- Audit services	22,000	22,000
- Non-audit services	6,500	9,000
(Gains)/losses on foreign currency translation	(73,657)	(133,763)
Research and development	<u>540,269</u>	<u>502,634</u>

3 STAFF COSTS (EXCLUDING DIRECTORS)

	2004	2003
	£	£
Wages and salaries	7,764,540	7,015,525
Social security costs	754,764	677,272
Other pension costs	194,356	193,021
	<u>8,713,660</u>	<u>7,885,818</u>

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

	2004	2003
Office and management	142	110
Production and sales	464	495
	<u>606</u>	<u>605</u>

On average 38 of the above employees were employed for less than 16 hours per week (2003: 40) and have been equated to full time equivalent workers.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2004

4 DIRECTORS' REMUNERATION	2004	2003
	£	£
Fees	16,666	15,366
Other emoluments	108,692	134,514
Pension contributions	-	12,200
Pension payments on behalf of former director	4,296	4,296
	<u>129,654</u>	<u>166,376</u>

During the year 2 directors (2003: 2) were accruing benefits under money purchase schemes.

5 INTEREST PAYABLE	2004	2003
	£	£
On bank loans and overdrafts	212,946	183,913
Lease finance charges	41,799	30,108
Other interest	18,548	28,641
	<u>273,293</u>	<u>242,662</u>

6 TAXATION	2004	2003
	£	£
(a) Analysis of charge in period		
Corporation tax		
Corporation tax at 19% (2003: 19%)	(22,300)	31,200
Under/(Over) provision prior year	348	(2,579)
	<u>(21,952)</u>	<u>28,621</u>
Deferred Tax		
Origination and reversal of timing differences	-	-
	-	-
	<u>(21,952)</u>	<u>28,621</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:

	2004	2003
	£	£
Profit on ordinary activities before tax	(112,626)	502,943
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2003: 19%)	(21,399)	95,559
Effects of:		
Expenses not deductible for tax purposes	-	9,718
Capital allowances for period in excess of depreciation	-	(69,522)
Utilisation of tax losses	-	(4,555)
Adjustments to tax charge in respect of previous periods	-	(2,579)
	<u>(21,399)</u>	<u>28,621</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2004

7 PROFIT FOR THE FINANCIAL YEAR

The consolidated profit for the year includes a profit of £125,076 (2003: £389,649) 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 £
The Group						
Cost						
At 1 January 2004	5,759,572	214,000	7,564,599	1,678,974	864,983	16,082,129
Additions	50,526	-	742,760	144,613	192,189	1,130,088
Disposals	(5,000)	-	-	-	(71,007)	(76,007)
At 31 December 2004	<u>5,805,098</u>	<u>214,000</u>	<u>8,307,359</u>	<u>1,823,587</u>	<u>986,165</u>	<u>17,136,210</u>
Depreciation						
At 1 January 2004	122,860	12,023	5,750,537	1,307,387	504,378	7,697,185
Provided for the year	-	-	476,203	181,594	150,572	808,368
Disposals	-	-	-	-	(41,713)	(41,713)
At 31 December 2004	<u>122,860</u>	<u>12,023</u>	<u>6,226,740</u>	<u>1,488,981</u>	<u>613,237</u>	<u>8,463,841</u>
Net book values						
At 31 December 2004	<u>5,682,238</u>	<u>201,977</u>	<u>2,080,620</u>	<u>334,606</u>	<u>372,928</u>	<u>8,672,369</u>
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>
The Company						
Cost						
At 1 January 2004	5,759,572	214,000	7,390,044	1,678,974	845,690	15,888,281
Additions	50,526	-	667,440	144,613	192,189	1,054,768
Disposals	(5,000)	-	-	-	(71,007)	(76,007)
At 31 December 2004	<u>5,805,098</u>	<u>214,000</u>	<u>8,057,484</u>	<u>1,823,587</u>	<u>966,873</u>	<u>16,867,042</u>
Depreciation						
At 1 January 2004	122,860	12,023	5,590,771	1,292,587	488,843	7,507,084
Provided for the year	-	-	459,497	181,594	150,059	791,149
Disposals	-	-	-	-	(41,713)	(41,713)
At 31 December 2004	<u>122,860</u>	<u>12,023</u>	<u>6,050,268</u>	<u>1,474,181</u>	<u>597,188</u>	<u>8,256,520</u>
Net book values						
At 31 December 2004	<u>5,682,238</u>	<u>201,977</u>	<u>2,007,217</u>	<u>349,406</u>	<u>369,685</u>	<u>8,610,522</u>
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>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2004

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>1,366,669</u>	<u>544,980</u>	<u>1,366,669</u>	<u>544,980</u>
Depreciation provided in the year	<u>101,598</u>	<u>114,796</u>	<u>101,598</u>	<u>114,796</u>
Net book value at 31 December 2004	<u>1,087,896</u>	<u>330,164</u>	<u>1,087,896</u>	<u>330,164</u>

9 FIXED ASSET DEVELOPMENT GRANT

	2004		2003	
	Group £	Company £	Group £	Company £
At 1 January 2004	13,370	13,370	14,011	14,011
Credited to profit and loss account	(641)	(641)	(641)	(641)
At 31 December 2004	<u>12,729</u>	<u>12,729</u>	<u>13,370</u>	<u>13,370</u>

10 FIXED ASSET INVESTMENTS

	2004 £	2003 £
Interest in subsidiary undertakings at cost at 1 January	17,159	17,158
Investment in year	-	1
Permanent diminution in value	<u>(16,966)</u>	<u>(16,966)</u>
	<u>193</u>	<u>193</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 2004

11 STOCKS

	2004		2003	
	Group £	Company £	Group £	Company £
Raw materials and work-in-progress	2,737,509	2,427,902	3,013,016	2,702,878
Finished goods	3,691,187	3,583,876	2,898,045	2,659,219
	<u>6,428,696</u>	<u>6,011,778</u>	<u>5,911,061</u>	<u>5,362,097</u>

12 DEBTORS

	2004		2003	
	Group £	Company £	Group £	Company £
Trade debtors	5,091,624	5,038,602	5,380,320	4,980,225
Amount owed by group undertakings less provision	-	649,264	-	614,858
Prepayments and accrued income	196,204	213,427	325,798	338,077
Corporation Tax	31,500	22,300	-	-
	<u>5,319,328</u>	<u>5,923,593</u>	<u>5,706,118</u>	<u>5,933,160</u>

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004		2003	
	Group £	Company £	Group £	Company £
Bank overdraft (see note 15)	3,206,117	3,023,830	2,203,660	1,993,982
Bank and other loans (see note 15)	250,000	250,000	250,000	250,000
Amounts due under finance leases (see note 20)	467,340	467,340	327,221	327,221
Trade creditors	4,182,749	4,144,913	4,326,797	4,107,665
Social security and other taxes	781,685	742,218	750,046	719,132
Other creditors and accruals	1,400,071	1,307,541	1,598,830	1,555,183
Deferred income (see note 9)	641	641	641	641
Dividends payable	50,721	50,721	36,366	36,366
Corporation tax	-	-	31,200	22,000
	<u>10,339,324</u>	<u>9,987,204</u>	<u>9,524,761</u>	<u>9,012,190</u>

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2004		2003	
	Group £	Company £	Group £	Company £
Bank loans (see note 15)	1,561,498	1,561,498	1,931,949	1,931,949
Amounts due under finance leases (see note 20)	579,993	579,993	472,998	472,998
Deferred income (see note 9)	12,088	12,088	12,729	12,729
Other creditors	25,183	84,167	25,183	-
	<u>2,178,762</u>	<u>2,237,746</u>	<u>2,442,859</u>	<u>2,417,676</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2004

15 BANK LOANS AND OVERDRAFTS

The US Dollar 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:

	2004		2003	
	Group	Company	Group	Company
	£	£	£	£
Within one year				
Bank and other borrowings	3,456,117	3,273,830	2,453,660	2,243,982
Finance leases	467,340	467,340	327,221	327,221
After one and within two years				
Bank and other borrowings	334,167	250,000	250,000	250,000
Finance leases	366,001	366,000	262,849	262,849
After two and within five years				
Bank and other borrowings	750,000	750,000	750,000	750,000
Finance leases	213,993	213,993	210,149	210,149
After five years				
Bank and other borrowings	561,498	561,498	931,949	931,949
	<u>6,149,115</u>	<u>5,882,661</u>	<u>5,185,828</u>	<u>4,976,150</u>

16 DEFERRED TAXATION

	2004	2003
	£	£
Group and Company		
At 1 January 2004	43,843	43,843
Charge for the year	-	-
At 31 December 2004	<u>43,843</u>	<u>43,843</u>

The provision for deferred tax is made up as follows

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

17 CALLED UP SHARE CAPITAL

	2004	2003
	£	£
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	95,700
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 2004

18 OTHER FINANCIAL COMMITMENTS

The parent company has guaranteed bank borrowings of subsidiary undertakings which amount to £182,287 (2003:£241,791)

19 RESERVES AND SHAREHOLDERS' FUNDS

	Profit and loss account £	Capital redemption reserve £	Share capital £	Total shareholders' funds £
Group				
At 1 January 2004	7,824,659	70,300	95,700	7,990,659
Loss for the Year	(132,195)	-	-	(132,195)
At 31 December 2004	<u>7,692,464</u>	<u>70,300</u>	<u>95,700</u>	<u>7,858,464</u>
Company				
At 1 January 2004	8,036,938	70,300	95,700	8,202,938
Profit for the year	74,355	-	-	74,355
At 31 December 2004	<u>8,111,293</u>	<u>70,300</u>	<u>95,700</u>	<u>8,277,293</u>

20 OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	2004 £	2003 £
Within one year	467,340	327,221
After one and within five years	579,993	472,998
	<u>1,047,333</u>	<u>800,219</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2004

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 £692,650 (2003:£546,544)

22 LEASING COMMITMENTS

Operating lease payments amounting to £361,417 (2003:£347,698) are within one year. The leases to which these amounts relate expire as follows:-

	2004		2003	
	Land and buildings £	Other £	Land and buildings £	Other £
In one year or less	66,500	294,917	64,714	282,984
Between one and five years	180,000	545,322	194,142	405,035
In five years or more	360,000	-	582,426	-
	<u>606,500</u>	<u>840,239</u>	<u>841,282</u>	<u>688,019</u>

23 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2004 or 31 December 2003.

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

	2004		2003	
	Group £	Company £	Group £	Company £
Authorised and contracted for	<u>-</u>	<u>-</u>	<u>96,190</u>	<u>96,190</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 £4,794 (2003: £5,313).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2004

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 OUTFLOW FROM OPERATING ACTIVITIES	2004	2003
	£	£
Operating profit	160,667	745,605
Depreciation	808,368	658,608
Profit/(loss) on sale of assets	1,858	(1,938)
Decrease/(increase) in stock	(517,635)	(982,329)
Decrease/(increase) in debtors	288,696	(413,024)
(Decrease)/increase in creditors	(195,129)	178,435
	<u>546,825</u>	<u>185,356</u>

29 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2004	2003
	£	£
Increase/(Decrease) in cash in the year	(1,002,457)	197,297
Cash outflow from decrease in debt and lease financing	815,987	1,371,837
Change in net debt resulting from cash flows	(186,470)	1,569,134
New debt and finance leases	(692,650)	(3,046,544)
Movement in net debt in the year	(879,120)	(1,477,410)
Net debt at 1 January	(5,185,828)	(3,708,418)
Net debt at 31 December	<u>(6,064,948)</u>	<u>(5,185,828)</u>

30 ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.04	Cash flow	Other non cash movements	At 31.12.04
	£	£	£	£
Cash-in-hand and at bank	-	-	-	-
Overdrafts	(2,203,660)	<u>1,002,457</u>	-	(3,206,117)
		1,002,457		
Debt due after one year	(1,931,949)	(370,451)	-	(1,561,498)
Debt due within one year	(250,000)	-	-	(250,000)
Finance leases	(800,219)	(445,536)	692,650	(1,047,333)
	<u>(5,185,828)</u>	<u>186,470</u>	<u>692,650</u>	<u>(6,064,948)</u>