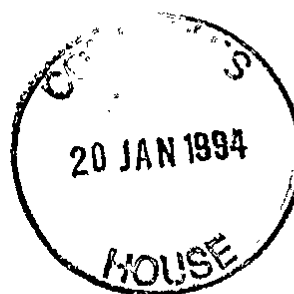


LAMP CAPS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1993
Company No. 185691

<u>INDEX</u>	<u>Page</u>
Directors' Report	1 - 2
Auditors' Report	3
Profit and Loss Account	4
Balance Sheet	5
Cash Flow Statement	6
Notes to the Financial Statements	7 - 14



FRASER & RUSSELL
Chartered Accountants
4 London Wall Buildings
LONDON EC2M 5NT

LAMP CAPS LIMITEDREPORT OF THE DIRECTORS

The directors present their Annual Report and the Financial Statements as at 31st March 1993, together with the Report of the Auditors.

RESULTS AND APPROPRIATIONS

The loss for the financial year ended 31st March 1993 is set out in the attached Profit and Loss Account on page 4.

The directors do not recommend the payment of a dividend for the year.

REVIEW OF THE BUSINESS

The company's principal activity during the year was the manufacture of electric lamp components.

DIRECTORS AND THEIR SHARE INTERESTS

The following were Directors of the Company during the year ended 31st March 1993.

D. Stevenson	(Chairman)
A. Mills	
J.T. Liggins	(Managing)
Dr. J. Gebhard	

On 1st April 1993 A. Mills became Chairman of the company.

On 1st September 1993 Dr J. Gebhard resigned and Mr R. Caban was appointed a director of the company.

No director has any interest in the shares of the company (beneficial or otherwise).

EMPLOYMENT OF DISABLED PERSONS

It is company practice to facilitate the employment of disabled persons and to provide, whenever possible, opportunities for training, career development and promotion. Where employees become disabled whilst in the service of the company, every effort is made to rehabilitate them in their former jobs or some other suitable alternative, and to provide appropriate training and specialist advice.

EMPLOYEE INVOLVEMENT

As a key part of the company's philosophy, we continue to place great importance on involving our employees in our operations. Regular meetings are held between employees and senior management to create the necessary attitudes and skills towards good communication and consultation. Through these meetings, the normal chain of command and formal quarterly meetings, we seek to keep employees informed and involved in the progress of the company.

SHARE CAPITAL

The share capital of the company is owned equally by OSRAM Limited and Thorn Lighting Limited.

LAMP CAPS LIMITED
REPORT OF THE DIRECTORS
(Continued)

RESEARCH AND DEVELOPMENT

The company has continued its programme of research and development during the year in order to meet the requirements of its customers and to increase the efficient usage of energy resources.

FIXED ASSETS

Movements in fixed assets during the year are detailed in Note 8 to the Financial Statements.

EVENTS SINCE THE YEAR END

The company has announced that it will cease production as at 31st December 1993 and in due course the factory will be closed and an orderly disposal of the remaining assets will be undertaken.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the re-appointment of Messrs. Fraser & Russell, Chartered Accountants and Registered Auditors will be put to the Annual General Meeting.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

- * select suitable accounting policies and then apply them consistently;
- * make judgments 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;
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BY ORDER OF THE BOARD

P.B. JONES

Secretary

Registered Office:
Sheffield Road,
Chesterfield,
Derbyshire,
S41 8LB

14th December 1993

REPORT OF THE AUDITORS TO THE MEMBERS OF

LAMP CAPS LIMITED

We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 judgments made by the directors in the preparation of the financial statements, and whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Fundamental Uncertainty

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the possible adjustments to current assets and current liabilities as a result of the Company's decision to cease production. The financial statements do not include any adjustments, save from the reclassifications of fixed assets and long term liabilities as current assets and current liabilities, which might result from this decision. Details of the circumstances relating to this fundamental uncertainty are described on note 23. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st March 1993 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Fraser & Russell
Chartered Accountants
and Registered Auditors

4 London Wall Buildings
LONDON EC2M 5NT

14th December 1993

LAMP CAPS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 1993

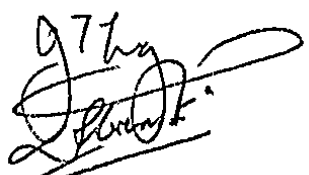
	Notes	£	1993 £	£	1992 £
<u>TURNOVER</u>	2		6,291,614		6,663,335
Change in Stock of Finished Goods and Work in Progress			(44,698)		(346,649)
			6,246,916		6,316,686
Other Operating Income			15,000		-
			<u>6,261,916</u>		<u>6,316,686</u>
Raw Materials and Consumables		2,898,931		2,809,719	
Other External Charges		<u>977,005</u>		<u>1,017,401</u>	
			(3,875,936)		(3,827,120)
			2,385,980		2,489,566
Staff Costs	5	2,201,735		2,389,596	
Depreciation		193,731		198,875	
Other Operating Charges		<u>1,359</u>		<u>22,527</u>	
			(2,396,825)		(2,610,998)
<u>OPERATING LOSS</u>			(10,845)		(121,432)
Interest Payable (Net)	6		(33,795)		(64,508)
<u>LOSS BEFORE EXCEPTIONAL ITEM</u>			(44,640)		(185,940)
Costs of Reorganisation			-		(4,050)
<u>LOSS BEFORE TAXATION</u>			(44,640)		(189,990)
Taxation	7		15,201		76,360
<u>LOSS AFTER TAXATION</u>	15		£ (29,439)		£ (113,630)

The Notes set out on pages 7 to 14 form an integral part of these Financial Statements.

LAMP CAPS LIMITEDBALANCE SHEETAS AT 31ST MARCH 1993

	<u>Notes</u>	<u>£</u>	<u>199</u>	<u>£</u>	<u>1992</u>	<u>£</u>
<u>FIXED ASSETS</u>						
Tangible Assets	8		-		1,328,022	
<u>CURRENT ASSETS</u>						
Tangible Assets	9	904,407		-		
Stocks	10	912,497		957,195		
Debtors	11	1,363,479		1,749,219		
Cash at Bank and in Hand		<u>18,585</u>		<u>21,288</u>		
		3,198,968		2,727,702		
<u>CREDITORS: Amounts Falling Due</u>						
Within One Year	12	<u>2,102,933</u>		<u>1,755,359</u>		
			<u>1,096,035</u>		<u>972,343</u>	
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			1,096,035		2,300,365	
<u>CREDITORS: Amounts Falling Due</u>						
After More than One Year	13		-		(820,000)	
<u>PROVISION FOR LIABILITIES</u>						
<u>AND CHARGES:</u>						
Provisions	14		-		(262,891)	
Deferred Taxation	15		-		(92,000)	
			<u>£1,096,035</u>		<u>£1,125,474</u>	
<u>CAPITAL AND RESERVES</u>						
Called Up Share Capital	16		300,000		300,000	
Profit and Loss Account	17		<u>796,035</u>		<u>825,474</u>	
			<u>£1,096,035</u>		<u>£1,125,474</u>	

The Financial Statements were approved by the Board of Directors on 14th December 1993


) DIRECTORS

The notes set out on pages 7 to 14 form an integral part of these Financial Statements

LAMP CAPS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 1993

	<u>Notes</u>	£	<u>1993</u>	£	£	<u>1992</u>	£
<u>Net cash inflow from operating activities</u>	20			372,940		436,524	
<u>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:</u>							
Interest received			5,941			5,913	
Interest paid			(39,736)			(70,421)	
<u>Net cash outflow from returns on investments and servicing of finance</u>				(33,795)		(64,508)	
<u>TAX REPAYMENT RECEIVED</u>				93,619		161,360	
<u>INVESTING ACTIVITIES:</u>							
Payments to acquire tangible fixed assets			(25,549)			(132,649)	
Proceeds from Sale of fixed assets			<u>2,542</u>			<u>-</u>	
<u>Net cash outflow from investing activities</u>				(23,007)		(132,649)	
<u>INCREASE IN CASH AND CASH EQUIVALENTS</u>	21			<u>£409,757</u>		<u>£ 400,727</u>	

LAMP CAPS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1993

7.

1. ACCOUNTING POLICIES

(a) Basis of Financial Statements

The financial statements are drawn up under the historical cost convention of accounting and have been prepared in accordance with applicable accounting standards.

As more fully described in note 23, the company has announced that it will cease production on 31st December 1993 and undertake an orderly disposal of its remaining assets as at that date. Accordingly, the company's fixed assets and long-term liabilities at the balance sheet date have been reclassified as current assets and current liabilities.

The directors are not in a position to estimate the likely financial effect of the decision to cease production and the parent companies have indicated that they will fund any shortfall of assets. Therefore, no further provision has been made to reduce the value of assets to their recoverable amount nor to provide for any further liabilities which may arise as a result of the decision to cease production apart from the reclassification of existing provisions against the related tangible assets.

(b) Depreciation

Depreciation is calculated to write off the cost of Fixed Assets on a straight line basis over the expected useful lives of the assets concerned. The principal annual rates in use are as follows:

Freehold Buildings	2% - 10%
Plant and Machinery - Services	5% - 10%
- Production Plant	7.5% - 10%
- Office Equipment and Machinery	5% - 25%
- Vehicles and Die Sets	25%

(c) Stocks

All stocks have been valued at the lower of cost and net realisable value.

In respect of finished goods and work in progress, cost includes an appropriate element of indirect manufacturing expenses.

(d) Deferred Taxation

It is the Company's policy to make provision for Corporation Tax deferred due to:

- i) Capital allowances exceeding depreciation provided in the financial statements.
- ii) Timing differences arising as a result of provisions made in these financial statements in respect of which expenditure will be incurred in later years.

(e) Repairs and Maintenance

Provision is made for the foreseeable costs to be incurred in major repairs of furnaces, which normally take place at intervals in excess of three years, having regard to annual technical reviews of the repair programme. Other expenditure on repairs and maintenance is written off to revenue as it is incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1993
(Continued)

1. ACCOUNTING POLICIES (Continued)

(f) Research and Development

Expenditure on research and development is written off to revenue as it is incurred.

(g) Pensions

It is the policy of the company to provide for pension liabilities, generally by payments to trusts independent from the finances of the company. Contributions made by the company are charged against profits.

(h) Foreign Currency Translation

Monetary assets and liabilities denominated in a foreign currency are translated into sterling at the rates of exchange on forward contracts existing at the balance sheet date. Transactions denominated in foreign currency have been translated at the rates ruling at the dates of the transaction. All exchange profits have been included in the reported results for the year.

2. TURNOVER

An analysis of turnover is given below:

	<u>1993</u> £000	<u>1992</u> £000
United Kingdom	2,575	3,106
Overseas	<u>3,717</u>	<u>3,557</u>
	£ 6,292	£ 6,663

3. OPERATING LOSS is after charging:

	£	£
Directors' Remuneration (note 4)	39,433	37,570
Auditors' Remuneration	12,000	12,000
Depreciation	<u>196,273</u>	<u>198,875</u>

The company is a consortium company whose issued share capital is owned 50% by OSRAM Limited and 50% by THORN Lighting Limited. The results include the trading with these companies.

4. DIRECTORS' REMUNERATION

	£	£
(a) Executive Remuneration and Benefits	39,433	37,570
Pension Contribution	<u>2,830</u>	<u>2,687</u>
	£ 42,263	£ 40,257
(b) Emoluments of Chairman	<u>£ NIL</u>	<u>£ NIL</u>
Emoluments of Highest Paid Director (excluding Pension Contributions)	<u>£ 39,433</u>	<u>£ 37,570</u>
(c) No other Director received emoluments.		

LAMP CAPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1993

(Continued)

5. STAFF COSTS (including Directors)	1993 £	1992 £
a) Wages and Salaries Social Security Contributions Other Pension Costs	1,968,935 194,123 40,319	2,143,167 209,902 36,527
	<u>£2,203,377</u>	<u>£2,389,596</u>
(b) The average weekly number of employees during the year was as follows:	<u>Numbers</u>	
Direct Labour	91	102
Indirect Labour including Staff	<u>97</u>	<u>110</u>
	<u>188</u>	<u>212</u>
6. INTEREST PAYABLE (NET)	£	£
Bank Deposit Interest Receivable	5,941	5,913
Bank Overdraft Interest Payable	<u>(39,736)</u>	<u>(70,421)</u>
	<u>£ (33,795)</u>	<u>£ (64,508)</u>
7. TAXATION		
Corporation Tax recoverable on losses for the year at 33% (1992: 33%)	-	70,000
Transfer from Deferred Taxation account	5,000	(25,000)
Prior Year Adjustments	<u>10,201</u>	<u>31,360</u>
	<u>£ 15,201</u>	<u>£ 76,360</u>

LAMP CAPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1993

(Continued)

8. TANGIBLE FIXED ASSETS			
	Freehold Land and Buildings £	Plant and Machinery £	Total £
<u>Cost</u>			
At 1st April 1992	303,411	3,731,612	4,035,023
Additions during the year	-	25,549	25,549
Disposals	-	(129,005)	(129,005)
Reclassification (Note 1a)	(303,411)	(3,628,156)	(3,931,567)
At 31st March 1993	-	-	-
<u>Depreciation</u>			
At 1st April 1992	251,244	2,455,757	2,707,001
Provided during the year	4,015	192,258	196,273
Disposals	-	(129,005)	(129,005)
Reclassification (Note 1a)	(255,259)	(2,519,010)	(2,774,269)
At 31st March 1993	-	-	-
<u>Net Book Value</u>			
At 31st March 1993	£ -	£ -	£ -
At 31st March 1992	£ 52,167	£1,275,855	£1,328,022
9. TANGIBLE CURRENT ASSETS			
		<u>1993</u> £	<u>1992</u> £
Transfer from fixed assets (Note 8)		1,157,298	-
Reclassification of provisions (Note 1a)		(252,891)	-
		£ 904,407	£ -
10. STOCKS			
		£	£
Finished Goods and Goods for Resale		330,072	315,288
Work in Progress		120,499	206,038
Raw Materials and Consumables		461,926	435,869
		£ 912,497	£ 957,195

There is no significant difference between replacement cost and book value of stocks.

LAMP CAPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1993

(Continued)

<u>11. DEBTORS</u>	<u>1993</u> £	<u>1992</u> £
Trade Debtors	1,321,553	1,647,492
Corporation Tax Recoverable	-	70,000
Other Debtors	15,667	6,275
Prepayments and Accrued Income	<u>26,259</u>	<u>25,452</u>
	<u>£1,363,479</u>	<u>£1,749,219</u>
<u>12. CREDITORS: Amounts falling due within one year</u>	<u>1993</u> £	<u>1992</u> £
Bank Overdraft (see below)	2,093	414,553
Loans from Parent Companies (Note 1a)	820,000	-
Trade Creditors	1,004,621	1,134,728
Other Creditors	5,551	5,558
Provision for taxation (Note 15)	87,000	-
Other Taxes and Social Security Costs	54,990	61,879
Accruals	<u>128,678</u>	<u>138,641</u>
	<u>£2,102,933</u>	<u>£1,755,359</u>

The Bank overdraft is shown net of foreign currency deposits amounting to £181,827 (1992: £213,860).

The company has unsecured multi-currency bank borrowing facilities comprising short-term facilities of £1,200,000 (1992 - £1,200,000).

These facilities are supported by letters of assurance from the Parent Companies.

13. CREDITORS: Amounts falling due after more than one year

Interest free subordinated loans with no fixed repayment terms from Parent Companies	£ -	£ 820,000
--	-----	-----------

14. PROVISIONS

<u>Repairs Provision</u>	£	£
Balance at 1st April 1992	262,891	243,206
<u>Add: Provided during the year</u>	<u>24,291</u>	<u>33,680</u>
	287,182	276,886
<u>Less: Expenditure during the year</u>	<u>34,291</u>	<u>13,995</u>
	252,891	262,891
Reclassification of provision (Note 1a)	(252,891)	-
	<u>£ -</u>	<u>£262,891</u>

LAMP CAPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1993
(Continued)

<u>15. DEFERRED TAXATION</u>	<u>1993</u> £	<u>1992</u> £
Capital Allowances in excess of depreciation	210,000	218,000
<u>Less: Relief due in later years in respect of actual expenditure for which provisions are currently disallowed, and other timing adjustments</u>	<u>(93,000)</u>	<u>(109,500)</u>
	117,000	108,500
<u>Less: Tax Losses carried forward</u>	<u>(30,000)</u>	<u>(16,500)</u>
	87,000	92,000
Reclassification of provision (Note 12)	(87,000)	-
	<hr/>	<hr/>
	£ -	£ 92,000
	<hr/>	<hr/>

Deferred taxation has been reclassified as a current tax liability to cover any potential liability to corporation tax that may arise out of the decision to terminate the business operations of the company.

16. SHARE CAPITALAuthorised, Allotted, Called Up and Fully Paid

Authorised Ordinary Shares of £1 each	£300,000	£300,000
	<hr/>	<hr/>
Issued and Fully Paid Share Capital	£300,000	£300,000
	<hr/>	<hr/>

17. PROFIT AND LOSS ACCOUNT

	£	£
At 1st April 1992	825,474	939,104
Loss for the year	(29,432)	(113,630)
	<hr/>	<hr/>
At 31st March 1993	£ 796,035	£ 825,474
	<hr/>	<hr/>

18. CAPITAL EXPENDITURE AUTHORISED AND COMMITTED

Capital Expenditure which has been authorised by the Board at 31st March 1993 but not incurred by that date, amounted to £NIL (1992 £2,000)

LAMP CAPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1993

(Continued)

18. PENSION COMMITMENTS

The company is a member of the Tickhill Pension Scheme the assets of which are held separately from those of the company in trustee administered funds independent of the Company's finances. Under this Scheme the company operates a defined benefits final salary pension scheme in respect of employers' and employees' normal contributions, and a defined contribution money purchase scheme in respect of transfer values received from other pension schemes and employees' additional voluntary contributions.

- (i) Contributions to the Scheme are charged to the Profit and Loss Account so as to spread the cost of pensions over employee's working lives within the group.
- (ii) The assets are invested in an insurance policy with Equitable Life.
- (iii) The group's contributions are determined by an actuary on the basis of triennial valuations. The first formal actuarial valuation of the Scheme was completed in May 1991. On 12th February 1992 the actuaries reviewed the valuation of the scheme and confirmed that the total contribution rate can be maintained at 12.6% of pensionable earnings. As the value of the assets of the Scheme was equal to the value of the accrued liabilities, the total regular pension cost was also 12.6%.
- (iv) The assumptions which had the most significant effect on the results of the valuations were those relating to the rate of return on investments and the rate of increase in pensionable earnings. In determining the group's contribution rates these assumptions were:

Rate of return on investments	9.5%
Rate of increase in pensionable earnings	8.0%
- (v) The total pension charge for the year was £40,319 (1992 £36,527) as shown in Note 5.

19. RECONCILIATIONS OF OPERATING LOSS TO NET
CASH INFLOW FROM OPERATING ACTIVITIES

	<u>1993</u> £	<u>1992</u> £
Operating Loss	(10,845)	(121,432)
Depreciation Charge	196,273	198,875
Profit on disposal of fixed assets	(2,542)	-
Decrease in stocks	44,698	346,649
Decrease in debtors	328,209	457,599
(Decrease) in creditors	(172,853)	(460,802)
Increase/(Decrease) in provisions	(10,000)	19,685
Reorganisation Costs	-	(4,050)
Net Cash Inflow from Operating Activities	<u>£372,940</u>	<u>£436,524</u>

LAMP CAPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1993

21. ANALYSIS OF CHANGES IN CASH AND CASH
EQUIVALENTS DURING THE YEAR

	<u>1993</u> £	<u>1992</u> £
Balance at 1st April 1992	(393,265)	(793,992)
Net cash inflow	<u>409,757</u>	<u>400,727</u>
Balance at 31st March 1993	£ 16,492	£(393,265)

22. ANALYSIS OF THE BALANCES OF CASH AND CASH
EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	<u>1993</u> £	<u>1992</u> £	<u>Change in year</u> £
Cash at bank and in hand	18,585	21,288	(2,703)
Bank overdrafts	<u>(2,093)</u>	<u>(414,553)</u>	<u>412,460</u>
	£ 16,492	£(393,265)	£409,757

23. POST BALANCE SHEET EVENT

The company has announced that it will cease production as at 31st December 1993 and in due course the factory will be closed and an orderly disposal of the remaining assets will be undertaken.