

**WENGEN-TWO**

**Report and Financial Statements**

**31 January 2008**

THURSDAY



A48	*A9W5E569*	27/11/2008	76
	COMPANIES HOUSE		
A16	*AJLVG4FY*	31/10/2008	374
	COMPANIES HOUSE		

**REPORT AND FINANCIAL STATEMENTS 2008**

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**REPORT AND FINANCIAL STATEMENTS 2008**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Lindsay John Small  
Thomas Spitzenpfeil

**COMPANY SECRETARY**

St John's Square Secretaries Limited

**REGISTERED OFFICE**

20 Farringdon Road  
London  
EC1M 3AP

**AUDITORS**

KPMG LLP  
Quayside House  
110 Quayside  
Newcastle Upon Tyne  
NE1 3DX

## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 January 2008.

### PRINCIPAL ACTIVITIES AND FUTURE PROSPECTS

On 30 January 2006 the company was re-registered as an unlimited company. Following this substantially all of the share capital was re-designated as reserves. The company is expected to continue as a holding company until its eventual liquidation.

### RESULTS AND DIVIDENDS

During the year ended 31 January 2008 the company made a loss on ordinary activities after taxation of £96,000 (year ended 31 January 2007: profit of £282,000).

### POLITICAL AND CHARITABLE CONTRIBUTIONS

The Company made no political or charitable donations or incurred any political expenditure during the year.

### DIRECTORS

The directors who served during the year were as follows:

Lindsay John Small  
Thomas Spitzenpfeil

The directors who held office at 31 January 2008 had the following share options for shares of the ultimate group holding company, Zumtobel AG:

	No. of share options granted during year	No. of share options exercised during year
Lindsay John Small	1,600	3,233
Thomas Spitzenpfeil	8,000	16,000

### DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### AUDITORS

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board of Directors  
and signed on behalf of the Board



L Small

Director

Date: 29th October 2008

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 these 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 UK 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 that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **KPMG LLP**

Quayside House  
110 Quayside  
Newcastle upon Tyne  
NE1 3DX

### **Independent auditors' report to the members of Wengen-Two**

We have audited the financial statements of Wengen-Two for the year ended 31 January 2008 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 of 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.

## **Independent auditors' report to the members of Wengen-Two *(continued)***

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 January 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

**KPMG LLP**

KPMG LLP  
*Chartered Accountants*  
*Registered Auditor*

29 October 2008

**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 January 2008**

	Note	Year ended 31 January 2008 £'000	Year ended 31 January 2007 £'000
Administrative expenses		(27)	(27)
<b>OPERATING LOSS</b>	3	(27)	(27)
Other income	4	-	586
Other finance costs	12	(69)	(72)
<b>(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(96)	487
Tax on (loss)/profit on ordinary activities	5	-	(205)
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>	10	(96)	282

All results activities from continuing operations.

**STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES**  
**Year ended 31 January 2008**

	Note	Year ended 31 January 2008 £'000	Year ended 31 January 2007 £'000
(Loss) / profit for the financial year		(96)	282
Actuarial gains	12	571	223
<b>TOTAL RECOGNISED GAINS LOSSES IN THE YEAR</b>		475	505



**BALANCE SHEET**  
**31 January 2008**

	Note	2008 £'000	2007 £'000
<b>FIXED ASSETS</b>			
Investments	6	-	-
<b>CURRENT ASSETS</b>			
Debtors	7	2,047	2,218
<b>CREDITORS: amounts falling due within one year</b>	8	(39)	-
<b>NET CURRENT ASSETS</b>		<b>2,008</b>	<b>2,218</b>
<b>PENSION LIABILITY</b>	12	(406)	(1,091)
<b>NET ASSETS</b>		<b>1,602</b>	<b>1,127</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	-	-
Profit and loss account	10	1,602	1,127
<b>TOTAL SHAREHOLDERS' FUNDS</b>	10	<b>1,602</b>	<b>1,127</b>

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board of Directors



L Small

Director

Date: 29<sup>th</sup> October 2008

## NOTES TO THE ACCOUNTS

### Year ended 31 January 2008

#### 1. ACCOUNTING POLICIES

A summary of the principal accounting policies is set out below. All have been applied consistently throughout the year and the prior period.

##### **Basis of preparation**

The accounts are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

At 31 January 2008, the company was a wholly owned subsidiary undertaking of Zumtobel AG, which is registered in the EC and whose accounts are publicly available, and therefore as permitted by Section 228 of the Companies Act 1985, consolidated group accounts have not been prepared.

The company has also taken advantage of the exemptions under FRS1 (Revised) and has not prepared a cash flow statement on the grounds that the consolidated accounts of Zumtobel AG, which include a cash flow statement, are publicly available.

The company has taken advantage of FRS 8 which exempts subsidiary undertakings, 90% or more of whose voting rights are controlled within the group, from disclosing transactions with entities that are part of the group or investees of the group qualifying as related parties. The accounts of the ultimate parent company Zumtobel AG are publicly available.

##### **Investments**

Investments held as fixed assets are stated at cost less provision for any impairment.

##### **Classification of financial instruments issued by the Company**

Financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds are dealt with as appropriations in the reconciliation of movements in shareholders' funds.



## NOTES TO THE ACCOUNTS

### Year ended 31 January 2008

#### 1. ACCOUNTING POLICIES (continued)

##### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

##### **Pension schemes**

Under FRS 17 pension scheme assets are measured using fair values. Pension scheme liabilities are valued using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term to the liability.

Each pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full, net of deferred tax, and presented on the face of the balance sheet. The movement in the scheme surplus/deficit is split between operating and financial items in the profit and loss account and the statement of total recognised gains and losses.

The full service cost of the pension provision is charged to operating profit. The net impact of the unwinding of the discount rate on scheme liabilities and the expected return on the scheme assets is charged/credited to other finance costs.

Any difference between the expected return on assets and that actually achieved is charged through the statement of total recognised gains and losses (STRGL). Similarly, any differences that arise from experience or assumption changes are charged through the statement of total recognised gains and losses.

**NOTES TO THE ACCOUNTS****Year ended 31 January 2008****2. DIRECTORS' EMOLUMENTS AND EMPLOYEES**

The directors received no emoluments in respect of their services to the company during the current financial year or the preceding financial period.

The emoluments received by those directors who are also directors of Thorn Lighting Limited are disclosed in the accounts of that company.

The emoluments received by those directors who are also directors of Zumtobel AG are disclosed in the accounts of that company.

There were no employees in the current or preceding financial year.

There were no staff costs other than the pension costs disclosed in notes 11 and 12.

**3. NOTES TO THE PROFIT AND LOSS ACCOUNT**

Audit fees were borne by other group companies in the current and preceding year.

**4. OTHER INCOME**

Other income in the prior year arises from a refund from the wind up of the defined benefit pension scheme previously operated by the company after augmenting the benefits of the one remaining member. A net refund of £380,900 (£586,000 including a tax charge of £205,100) was received.

**5. TAXATION**

	<b>Year ended 31 January 2008 £'000</b>	<b>Year ended 31 January 2007 £'000</b>
<i>UK corporation tax charge</i>		
Current tax on income for the year	-	205

The differences between the total current tax and the amount calculated by applying the standard rate of UK corporation tax to the (loss)/profit before tax are as follows:

	<b>Year ended 31 January 2008 £'000</b>	<b>Year ended 31 January 2007 £'000</b>
<i>Current tax reconciliation</i>		
(Loss)/profit on ordinary activities before tax	(96)	487
Current tax at 30% (2007: 30%)	(29)	146
Factors affecting charge for the year:		
Expenses not recognised for accounting purposes	(63)	-
Expenses not allowable for tax purposes	29	30
Group Relief claimed for nil consideration	23	-
Income not recognised for accounting purposes	40	-
Difference in tax rate on pension refund taxed at 35%	-	29
	-	205

**NOTES TO THE ACCOUNTS**  
**Year ended 31 January 2008**

**6. INVESTMENTS**

	Shares in subsidiary undertakings £'000	Listed investments £'000	Total £'000
<b>Cost</b>			
At beginning and end of year	<u>487,756</u>	<u>5</u>	<u>487,761</u>
<b>Amounts written off</b>			
At beginning and end of year	<u>(487,756)</u>	<u>(5)</u>	<u>(487,761)</u>
<b>Net book value</b>			
At beginning and end of year	<u>-</u>	<u>-</u>	<u>-</u>

<b>Name</b>	<b>Country of incorporation</b>
Wengen-Three	United Kingdom
Metal Closures Group Limited	United Kingdom
Wassall Pension Trustees Limited	United Kingdom

All companies are either holding companies or have ceased trading. Metal Closures Group Limited is in the process of being liquidated.

The following subsidiaries are indirectly owned by the company as a result of being subsidiaries of Wengen-Three:

<b>Name</b>	<b>Country of incorporation</b>
Wengen-Four	United Kingdom
Wengen-Five	United Kingdom

All these subsidiary companies are either holding companies or have ceased trading.

**7. DEBTORS**

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed by other group undertakings	<u>2,047</u>	<u>2,218</u>

**8. CREDITORS**

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed to other group undertakings	<u>39</u>	<u>-</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 January 2008**

**9. CALLED UP SHARE CAPITAL**

	2008 £'000	2007 £'000
<b>Authorised:</b>		
2,597,229,972 ordinary shares of 6.36p each	<u>165,184</u>	<u>165,184</u>
<b>Called up, allotted and fully paid</b>		
16 ordinary shares of 6.36p each	<u>-</u>	<u>-</u>

**10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	Profit and loss account £'000	Called up share capital £'000	Total share- holders' funds £'000
Balance at 31 January 2006	622	-	622
Profit for the financial year	282	-	282
Net recognised gains in respect of FRS 17	<u>223</u>	<u>-</u>	<u>223</u>
Balance at 31 January 2007	1,127	-	1,127
Loss for the financial year	(96)	-	(96)
Net recognised gains in respect of FRS 17	<u>571</u>	<u>-</u>	<u>571</u>
Balance at 31 January 2008	<u>1,602</u>	<u>-</u>	<u>1,602</u>

## NOTES TO THE ACCOUNTS

### Year ended 31 January 2008

#### 11. PENSION ARRANGEMENTS

The company operated a defined benefit funded pension scheme with assets held in a trustee administered fund. Following the takeover of the Company in April 2000, all active members of the scheme ceased to be employed by the Company and its membership then consisted solely of pensioners and deferred pensioners. All members, with one exception, subsequently elected to terminate their membership of the scheme and to take cash equivalent transfers. The one remaining member had his benefits secured by the purchase of an annuity. The company in exercise of its power under the Trust Deed, gave notice on 14 June 2001 to put the scheme into winding up with effect from 27 June 2001. The fund refunded a gross amount of £586,000 which after settling tax due on the surplus, amounted to a cash payment of £380,900 which was received during the prior year.

#### 12. FRS17 RETIREMENT BENEFITS

In addition to the scheme as described in note 11 the company has pension liabilities as principal employer for the Hille Ergonom Pension Scheme.

A full actuarial valuation was carried out at 5 April 2005 and has been updated to 31 January 2008 by a qualified actuary using revised assumptions that are consistent with the requirements of FRS 17. Investments have been valued, for this purpose, at fair value.

The major assumptions used were:

	January 2008	January 2007	January 2006
Rate of increase in pensions in payment	3.3%	2.9%	2.9%
Discount rate	6.3%	5.3%	4.6%
Inflation assumption	3.4%	3.0%	3.0%

The fair value of the assets in the scheme, the present value of the liabilities in the scheme and the expected rate of return at the balance sheet date were:

	January 2008 %	January 2008 £'000	January 2007 %	January 2007 £'000	January 2006 %	January 2006 £'000
Fixed interest bonds	4.5	3,455	4.8	3,227	4.3	3,343
Other Assets	-	-	-	-	4.5	22
Total market value of assets		3,455		3,227		3,365
Present value of scheme liabilities		(3,861)		(4,318)		(4,790)
Net pension liability		<u>(406)</u>		<u>(1,091)</u>		<u>(1,425)</u>

Employer contributions of £210,000 have been paid in the year to 31 January 2008 (2007: £210,000).



**NOTES TO THE ACCOUNTS**  
**Year ended 31 January 2008**

**12. FRS 17 RETIREMENT BENEFITS (continued)**

Movement in Scheme deficit during the year

	2008 £'000	2007 £'000
At 1 February	(1,091)	(1,425)
Current service costs	(27)	(27)
Contributions	210	210
Net finance income	(69)	(72)
Actuarial gain	571	223
	<u>(406)</u>	<u>(1,091)</u>
At 31 January		

Analysis of the amount charged to operating profit is as follows:

	2008 £'000	2007 £'000
Current service cost	27	27
	<u>27</u>	<u>27</u>
Charge to operating profit		

Analysis of the amount charged to net finance is as follows:

	2008 £'000	2007 £'000
Interest cost on pension Scheme liabilities	(223)	(217)
Expected return on pension Scheme assets	154	145
	<u>(69)</u>	<u>(72)</u>
Charge to financing cost		

Analysis of the actuarial gain recognised in the statement of total recognised gains and losses under is as follows:

	2008 £'000	2007 £'000
Actual return less expected return on pension scheme assets	103	(277)
Experience gains and losses arising on the scheme liabilities	(24)	313
Changes in assumptions underlying the present value of the liabilities	492	187
	<u>571</u>	<u>223</u>
Actuarial gain recognised in STRGL		

**NOTES TO THE ACCOUNTS**  
**Year ended 31 January 2008**

**12. FRS 17 RETIREMENT BENEFITS (continued)**

History of experience gains and losses

	January 2008	January 2007	January 2006	April 2005	April 2004
Difference between the expected and actual return on scheme assets:					
Amount (£'000)	103	(277)	150	5	(125)
% of scheme assets	3.0%	(8.6%)	4.5%	0.2%	4.0%
Experience gains and losses on scheme liabilities;					
Amount (£'000)	(24)	313	(2)	(5)	5
% of the present value of the scheme liabilities	0.6%	7.2%	0.0%	0.1%	0.1%
Total amount recognised in STRGL					
Amount (£'000)	571	223	(477)	(180)	50
% of the present value of the scheme liabilities	14.8%	5.2%	9.9%	4.3%	1.3%

**13. ULTIMATE PARENT UNDERTAKING**

The immediate parent company of Wengen-Two is Wengen-One Limited.

The parent undertaking and controlling party at 31 January 2008 and parent of the largest and smallest group of undertakings for which group accounts are drawn up and of which the company is a member, is Zumtobel AG. Copies of Zumtobel AG's accounts can be obtained from Zumtobel AG, Hochsterstrasse 8, A-6850, Dornbirn, Austria.