

Registered number : 2518749

LIGHTHOME LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2002



LIGHTHOME LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2002

DIRECTORS: S.J. Aubrey
 D.N. Flowerday (Resigned 1/6/02)
 A. Smith (Resigned 1/8/01)
 J.M. Hawkes
 D.A. Penn (Appointed 1/8/01)

The directors have pleasure in presenting their report and the accounts for the year ended 31 July 2002.

RESULTS AND DIVIDENDS

The trading loss for the period after taxation was £1,038,403.

An interim dividend of £2,000,000 was paid during the year. No final dividend is proposed.

REVIEW OF THE BUSINESS

The principal activity of the company continues to be property investment and management.

FIXED ASSETS

The changes in tangible fixed assets are detailed in note 5 to the accounts.

FUTURE DEVELOPMENTS

The company will pursue its existing activities and continue to seek business opportunities to ensure the profitability of the company.

EVENTS SINCE THE PERIOD END

There have been no events to the date of publication of this report which have significantly affected the company.

LIGHTHOME LIMITED
DIRECTORS' REPORT (Continued)
FOR THE YEAR ENDED 31 JULY 2002

DIRECTORS' INTERESTS

The disclosable directors' interests in the share capital of Smiths Group plc at the beginning and end of the period were as follows:

	Ordinary shares of 25p	
	<u>31 July 2002</u>	<u>1 August 2001</u>
S.J. Aubrey	7,621	5,455
J.M. Hawkes	35,067	37,067
D. A. Penn	-	-

Options have been granted over the number of ordinary shares of Smiths Group plc, in the amounts shown below, under the terms of the Smiths Industries 1982 SAYE and Executive Share Option Schemes, and the Deferred Share Scheme.

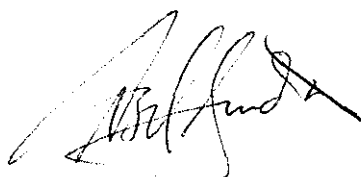
	<u>1.8.01</u>	<u>Granted</u>	<u>Exercised</u>	<u>31.7.02</u>
S.J. Aubrey	43,562	29,546	(1,880)	71,228
J.M. Hawkes	29,875	10,065	-	39,940
D. A. Penn	29,551	7,500	-	37,051

Details of option exercise prices and dates are contained in the Report and Accounts of Smiths Group plc.

AUDITORS

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 28 February 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By Order of the Board,



N.R. Burdett
Secretary

17 April 2003

LIGHTHOME LIMITED**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the company's state of affairs at the end of the period and of its profit or loss for that period. In preparing those accounts 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 accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to assume 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 accounts 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 or other irregularities.

**REPORT OF THE AUDITORS
TO THE MEMBERS OF LIGHTHOME LIMITED**

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. This opinion has been prepared for and only for the company's members in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 United Kingdom Companies Act. 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 is not disclosed.

Basis of audit 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 judgements 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 July 2002 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
One Embankment Place
London WC2N 6RH

10 April 2003

LIGHTHOME LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2002

	Notes	<u>2002</u> £	<u>2001</u> £
RENTAL INCOME		1,724,505	1,608,065
Administrative expenses		(346,759)	79,990
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,377,746	1,688,055
Tax on profit on ordinary activities	4	(416,149)	(506,417)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		961,597	1,181,638
Dividend paid		(2,000,000)	(6,000,000)
RETAINED (LOSS) / PROFIT FOR THE YEAR	9	(1,038,403)	(4,818,362)

There were no acquisitions or discontinued operations in either period.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

The only recognised gain or loss in the year ended 31 July 2002 was the loss for the period as disclosed in the profit and loss account.

The notes on pages 7 to 9 form part of these accounts.

LIGHTHOME LIMITED

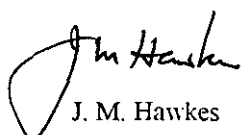
Page 6

BALANCE SHEET

31 JULY 2002

	Notes	31 July <u>2002</u> £	31 July <u>2001</u> £
FIXED ASSETS			
Tangible assets	5	4,261,342	4,206,584
CURRENT ASSETS			
Cash at Bank		3,327,277	2,073,198
Debtors : amounts falling due within one year	6	57,483	91,904
amounts falling due after more than one year			
Advances to Smiths Group plc			
Creditors: amounts falling due within one year	7	(98,838)	(202,168)
NET CURRENT (LIABILITIES) / ASSETS		3,285,922	1,962,934
TOTAL ASSETS LESS CURRENT LIABILITIES		7,547,264	6,169,518
CREDITORS: amounts falling due after more than one year			
Advances from Smiths Group plc		(5,113,378)	(2,697,229)
NET ASSETS		2,433,886	3,472,289
Financed by:			
CAPITAL AND RESERVES			
Equity share capital	8	100	100
Profit and loss account	9	2,433,786	3,472,189
EQUITY SHAREHOLDERS' FUNDS		2,433,886	3,472,289

Approved by the Board on 10 April 2003
and signed on its behalf :


J. M. Hawkes

)
) DIRECTOR

LIGHTHOME LIMITED
NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2002

1. ACCOUNTING POLICIES

a) Basis of Accounting

The accounts have been prepared in accordance with applicable accounting standards under the historical cost convention. As a wholly owned subsidiary, the company is exempt from the requirement to prepare a cash flow statement.

b) Depreciation

Depreciation is provided on all tangible fixed assets in use at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows

Freehold property – Land	- Not depreciated
-- Buildings	- Over 50 years
Leasehold property	- Over life of lease
Plant and machinery	- Over 10 Years
Fixtures, fittings, tools, equipment and vehicles	- Over 2 to 10 Years

c) Taxation

All taxation liabilities, both current and future, have been assumed by Smiths Group plc.

2. OPERATING PROFIT

This is stated after charging:	<u>2002</u>	<u>2001</u>
	£	£
Depreciation of fixed assets	114,240	124,944
Auditors' remuneration	2,787	2,050
	<u> </u>	<u> </u>

3. DIRECTORS AND STAFF

a) No emoluments were paid to directors in either period

b) The company had no employees in either period

LIGHTHOME LIMITEDNOTES TO THE ACCOUNTS (Continued)YEAR ENDED 31 JULY 2002

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

Taxation represents corporation tax at 30% on the profit for the period. (2001 : 30%)

5. TANGIBLE FIXED ASSETS

	Freehold Land and <u>Buildings</u> £	Fixtures, Fittings, And Motor <u>Vehicles</u> £	<u>Total</u> £
Cost			
1 August 2001	4,958,840	964,600	5,923,440
Additions and transfers in	142,504	26,494	168,998
	<hr/>	<hr/>	<hr/>
31 July 2002	5,101,344	991,094	6,092,438
	<hr/>	<hr/>	<hr/>
Depreciation			
1 August 2001	1,275,939	440,917	1,716,856
Charge for year	87,336	26,904	114,240
	<hr/>	<hr/>	<hr/>
31 July 2002	1,363,275	467,821	1,831,096
	<hr/>	<hr/>	<hr/>
Net Book Value - 31 July 2002	3,738,069	523,273	4,261,342
	<hr/>	<hr/>	<hr/>
- 31 July 2001	3,682,901	523,683	4,206,584
	<hr/>	<hr/>	<hr/>

6. DEBTORS

	<u>2002</u> £	<u>2001</u> £
Amounts owed by fellow subsidiaries	4,411	63,070
Other debtors	46,892	24,793
Prepayments and accrued income	6,180	4,041
	<hr/>	<hr/>
	57,483	91,904
	<hr/>	<hr/>

LIGHTHOME LIMITEDNOTES TO THE ACCOUNTS (Continued)YEAR ENDED 31 JULY 2002

7.	CREDITORS	<u>2002</u>	<u>2001</u>
		£	£
	Amounts falling due within one year		
	Trade Creditors	4,721	20,900
	Amounts owed to Parent Company	-	-
	Taxes and Social Security costs	88,478	-
	Other Creditors	3,704	1,565
	Accruals and deferred income	1,935	179,703
		<u>98,838</u>	<u>202,168</u>
8.	CALLED UP SHARE CAPITAL		
	Authorised		
	Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	Issued and fully paid		
	Ordinary shares of £1 each	<u>100</u>	<u>100</u>
9.	PROFIT AND LOSS ACCOUNT		
	Retained (loss) / profit for the year	(1,038,403)	(4,818,362)
	Balance at 1 August 2001	<u>3,472,189</u>	<u>8,290,551</u>
	Balance at 31 July 2002	<u>2,433,786</u>	<u>3,472,189</u>
10.	CAPITAL COMMITMENTS		
	Future capital expenditure not otherwise included in these accounts.		
	Amounts contracted for	<u>-</u>	<u>-</u>

11. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Smiths Group plc, which is registered in England and Wales and is the ultimate parent company. Copies of the accounts of Smiths Group plc can be obtained from the Company Secretary, Smiths Group plc, 765 Finchley Road, London NW11 8DS. The company has taken advantage of the exemption under paragraph 3(c) of FRS 8 from disclosing transactions with other subsidiary companies of the Smiths Group plc group.