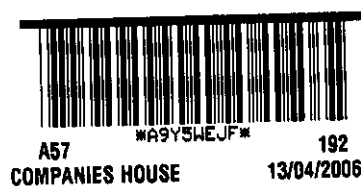


Company Registration No. 2584290 (England and Wales)

MARTIN PROFESSIONAL PLC
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005



MARTIN PROFESSIONAL PLC

COMPANY INFORMATION

Directors	D Caulfield S.H Hartwig L Dige	(Appointed 1 January 2005)
Secretary	P Leach	
Company number	2584290	
Registered office	The Tanners, 75 Meadrow Godalming Surrey GU7 3HU	
Auditors	Dendy Neville 3 - 4 Bower Terrace Tonbridge Road Maidstone Kent ME16 8RY	
Business address	Martin House, Boxmend Industrial Estate Bircholt Road, Parkwood Maidstone, Kent ME15 9YG	
Bankers	Nordea Bank 10 Thomas More Street London E1W 1YF	
Solicitors	P Leach & Company The Tanners, 75 Meadrow Godalming Surrey GU7 3HU	

MARTIN PROFESSIONAL PLC

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MARTIN PROFESSIONAL PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

The directors present their report and financial statements for the year ended 31 December 2005.

Principal activities and review of the business

The principal activity of the company continued to be that of the distribution of lighting, smoke and sound equipment.

The results for the year and the financial position at the year end were considered satisfactory by the directors.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of a dividend.

Directors

The following directors have held office since 1 January 2005:

D Caulfield	
S.H Hartwig	(Appointed 1 January 2005)
K Kolding	(Resigned 1 January 2005)
L Dige	

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 December 2005	1 January 2005
D Caulfield	-	-
S.H Hartwig	-	-
L Dige	-	-

	Redeemable ordinary shares of £ 1 each	
	31 December 2005	1 January 2005
D Caulfield	-	-
S.H Hartwig	-	-
L Dige	-	-

Charitable donations	2005	2004
	£	£

During the year the company made the following payments:

Charitable donations	1,050	268
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Creditor payment policy

The terms of payment agreed with suppliers are that fellow group companies are paid within 60 days wherever possible and other suppliers within 30-60 days of invoice.

The Company's average creditor payment period for suppliers outside the group at 31 December 2005 was 31 days (2004 - 49 days).

MARTIN PROFESSIONAL PLC

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Dendy Neville be reappointed as auditors of the company will be put to the Annual General Meeting.

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 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;
- 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 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.

On behalf of the board



.....
D Caulfield

Director

24.3.06

MARTIN PROFESSIONAL PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MARTIN PROFESSIONAL PLC

We have audited the financial statements of Martin Professional plc on pages 4 to 13 for the year ended 31 December 2005. These financial statements have been prepared under the historical cost convention and 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 the directors and auditors

As described in the statement of directors' responsibilities 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 (United Kingdom Generally Accepted Accounting Practice).

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 if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records or 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 audit opinion

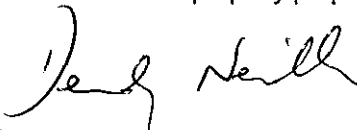
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Dendy Neville



5.4.06

Chartered Accountants

Registered Auditor

3 - 4 Bower Terrace
Tonbridge Road
Maidstone
Kent
ME16 8RY

MARTIN PROFESSIONAL PLC

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	2005 £	2004 £
Turnover	2	6,515,977	6,937,727
Cost of sales		(4,436,152)	(4,875,237)
Gross profit		2,079,825	2,062,490
Administrative expenses		(1,829,223)	(1,895,763)
Other operating income		51,646	-
Operating profit	3	302,248	166,727
Interest payable and similar charges	4	(21,177)	(24,462)
Profit on ordinary activities before taxation		281,071	142,265
Tax on profit on ordinary activities	5	-	-
Profit on ordinary activities after taxation	13	281,071	142,265

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

MARTIN PROFESSIONAL PLC

BALANCE SHEET AS AT 31 DECEMBER 2005

	Notes	2005 £	£	2004 £	£
Fixed assets					
Tangible assets	6		117,932		34,089
Current assets					
Stocks	7	977,208		1,408,850	
Debtors	8	1,816,820		1,902,368	
Cash at bank and in hand		715		559	
		<u>2,794,743</u>		<u>3,311,777</u>	
Creditors: amounts falling due within one year	9	<u>(1,158,878)</u>		<u>(1,873,140)</u>	
Net current assets			<u>1,635,865</u>		<u>1,438,637</u>
Total assets less current liabilities			<u><u>1,753,797</u></u>		<u><u>1,472,726</u></u>
Capital and reserves					
Called up share capital	12	3,000,000		3,000,000	
Share premium account	13	1,750,000		1,750,000	
Profit and loss account	13	(2,996,203)		(3,277,274)	
Shareholders' funds - equity interests	14		<u><u>1,753,797</u></u>		<u><u>1,472,726</u></u>

The financial statements were approved by the Board on

24th MARCH 2006


D Caulfield
Director

MARTIN PROFESSIONAL PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The accounts have been prepared on a going concern basis which assumes continued support from the ultimate parent company.

The company has taken advantage of the exemption in Financial Reporting Standard Number 1 - Cash flow statements (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards, which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	Over the period of the lease
Fixtures, fittings & equipment	20% to 33% on cost
Motor vehicles	20% on cost

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term. Rentals receivable under operating leases are credited to income on a straight line basis over the lease term.

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with Financial Reporting Standard Number 17 - Retirement benefits.

1.8 Deferred taxation

The accounting policy in respect of deferred tax reflects the requirements of Financial Reporting Standard Number 19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted. A deferred tax asset is only recognised if the conditions for recognition are satisfied.

MARTIN PROFESSIONAL PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

1 Accounting policies (continued)

1.9 Related party exemption

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

2 Turnover

Turnover consists of sales made only to the United Kingdom and relates to one class of business.

3 Operating profit

	2005	2004
	£	£

Operating profit is stated after charging:

Depreciation of tangible assets	60,214	51,456
Loss on disposal of tangible assets	-	1,609
Operating lease rentals		
- Plant and machinery	87,092	77,842
- Other assets	95,054	78,966
Auditors' remuneration	19,825	19,690
Remuneration of auditors for non-audit work	2,500	2,500

and after crediting:

Operating lease rentals		
- Plant and machinery	51,646	-

4 Interest payable

	2005	2004
	£	£

On amounts payable to group companies	10,794	19,051
On bank loans and overdrafts	10,383	5,411
	21,177	24,462

MARTIN PROFESSIONAL PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

5	Taxation	2005 £	2004 £
	Current tax charge	-	-
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	281,071	142,265
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2004: 30.00%)	84,321	42,680
	Effects of:		
	Non deductible expenses	4,002	22,711
	Depreciation add back	18,064	15,919
	Capital allowances	(26,801)	(21,127)
	Tax losses utilised	(79,586)	(60,183)
		(84,321)	(42,680)
	Current tax charge	-	-

The company has estimated losses of £ 1,440,000 (2004: £ 1,705,000) available for carry forward against future trading profits.

Due to losses there was no corporation tax liability for the year (2004 - £nil) due to taxable losses being available for offset.

MARTIN PROFESSIONAL PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

6 Tangible fixed assets

	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2005	170,503	273,147	9,398	453,048
Additions	-	150,296	-	150,296
Disposals	-	(8,061)	-	(8,061)
At 31 December 2005	170,503	415,382	9,398	595,283
Depreciation				
At 1 January 2005	170,503	239,058	9,398	418,959
On disposals	-	(1,822)	-	(1,822)
Charge for the year	-	60,214	-	60,214
At 31 December 2005	170,503	297,450	9,398	477,351
Net book value				
At 31 December 2005	-	117,932	-	117,932
At 31 December 2004	-	34,089	-	34,089

The cost of assets held for leasing included within fixtures, fittings and equipment above at 31 December 2005 amounted to £142,235 (2004 : Nil). The accumulated depreciation relating to those assets as at 31 December 2005 amounted to £41,342 (2004 : Nil).

7 Stocks	2005 £	2004 £
Finished goods and goods for resale	977,208	1,408,850

MARTIN PROFESSIONAL PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

8 Debtors	2005 £	2004 £
Trade debtors	1,742,066	1,827,299
Other debtors	6,789	13,927
Prepayments and accrued income	67,965	61,142
	<u>1,816,820</u>	<u>1,902,368</u>

Amounts falling due after more than one year and included in the debtors above are:

	2005 £	2004 £
Other debtors	<u>2,248</u>	<u>20,670</u>

9 Creditors: amounts falling due within one year	2005 £	2004 £
Bank loans and overdrafts	72,607	216,239
Trade creditors	59,322	74,532
Amounts owed to parent and fellow subsidiary undertakings	573,376	1,186,761
Taxes and social security costs	374,206	316,109
Other creditors	4,927	5,833
Accruals and deferred income	74,440	73,666
	<u>1,158,878</u>	<u>1,873,140</u>

The bank overdraft is guaranteed by Martin Gruppen A/S. All amounts owing to Martin Gruppen A/S and Martin Professional A/S are secured by a debenture dated 5 February 1996 which includes a fixed and floating charge over all the property and assets of the company.

10 Provisions for liabilities and charges

At 31 December 2005, the company had a deferred tax asset amounting to £477,093 (2004 - £564,810) which has not been provided in the accounts on the grounds that it is unlikely that the asset will be recoverable in the foreseeable future. The deferred tax asset is made up of timing differences in respect of deferred capital allowances of £45,024 (2004 - £53,155) and tax losses of £432,069 (2004 - £511,655).

MARTIN PROFESSIONAL PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

11 Pension costs

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are negotiated individually with the relevant employee. At the year end contributions amounting to £4,927 were unpaid (2004 - £5,833).

	2005 £	2004 £
Contributions payable by the company for the year	41,893	43,367

12 Share capital

	2005 £	2004 £
Authorised		
5,000,000 Ordinary shares of £1 each	5,000,000	100,000
4,900,000 Redeemable ordinary shares of £1 each	-	4,900,000
	<u>5,000,000</u>	<u>5,000,000</u>
Allotted, called up and fully paid		
3,000,000 Ordinary shares of £1 each	3,000,000	100,000
2,900,000 Redeemable ordinary shares of £1 each	-	2,900,000
	<u>3,000,000</u>	<u>3,000,000</u>

During the year the redeemable ordinary shares were converted and re-classified as ordinary shares of £1 each to rank pari passu with the existing ordinary shares. This was carried out due to changes brought about by the International Accounting Standards.

13 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 January 2005	1,750,000	(3,277,274)
Retained profit for the year	-	281,071
Balance at 31 December 2005	<u>1,750,000</u>	<u>(2,996,203)</u>

MARTIN PROFESSIONAL PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

14 Reconciliation of movements in shareholders' funds	2005 £	2004 £
Profit for the financial year	281,071	142,265
Net addition to shareholders' funds	281,071	142,265
Opening shareholders' funds	1,472,726	1,330,461
Closing shareholders' funds	1,753,797	1,472,726

15 Financial commitments

At 31 December 2005 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2006:

	Land and buildings		Other	
	2005 £	2004 £	2005 £	2004 £
Operating leases which expire:				
Within one year	-	-	29,634	20,338
Between two and five years	68,000	68,000	14,562	74,730
	68,000	68,000	44,196	95,068

16 Directors' emoluments	2005 £	2004 £
Emoluments for qualifying services	101,809	100,277
Company pension contributions to money purchase schemes	5,610	5,400
	107,419	105,677

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2004 - 1).

The emoluments paid to the directors who are also directors of the parent undertaking are disclosed in the financial statements of Martin Gruppen A/S, as it is not practicable to allocate these emoluments between services to this company and services to other group undertakings.

MARTIN PROFESSIONAL PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2005

17 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2005 Number	2004 Number
Sales and administration	29	32

Employment costs

	2005 £	2004 £
Wages and salaries	763,190	821,077
Social security costs	91,602	94,804
Other pension costs	41,893	43,367
	896,685	959,248

18 Control

The directors regard Martin Gruppen A/S, a company incorporated and resident in Denmark, as the immediate parent company. The directors regard Aktieselskabet Schouw & Co., a company incorporated and resident in Denmark, as both the ultimate parent company and controlling party. Copies of the parent company's group accounts are available from Administration, Martin Gruppen A/S, Oluf Palmes 18, DK-8000, Aarhus and may be inspected at the company's registered office.