

Company Registration No. 2584290 (England and Wales)

**MARTIN PROFESSIONAL PLC**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

C<sup>o</sup> b/s  
HSE



# MARTIN PROFESSIONAL PLC

## COMPANY INFORMATION

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<b>Directors</b>	T Browne C Engsted L Dige
<b>Secretary</b>	A J Drew
<b>Company number</b>	2584290
<b>Registered office</b>	Martin House, Boxmend Industrial Estate Bircholt Road, Parkwood Maidstone, Kent ME15 9YG
<b>Auditors</b>	Dendy Neville Limited 3-4 Bower Terrace Tonbridge Road Maidstone Kent ME16 8RY
<b>Business address</b>	Martin House, Boxmend Industrial Estate Bircholt Road, Parkwood Maidstone, Kent ME15 9YG
<b>Bankers</b>	Nordea Bank 10 Thomas More Street London E1W 1YF
<b>Solicitors</b>	Whitehead Monckton 72 King Street Maidstone Kent ME14 1BL

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# MARTIN PROFESSIONAL PLC

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# MARTIN PROFESSIONAL PLC

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2008

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The directors present their report and financial statements for the year ended 31 December 2008.

#### Principal activities and review of the business

The principal activity of the company continued to be that of the distribution of lighting and smoke equipment. The key markets of Martin Professional PLC include supplying their products to rock concerts, television, theatres, night clubs, bars, hotels, cruise liners and architectural structures/buildings.

The results for the year and the financial position at the year end were considered satisfactory by the directors. With difficult economic conditions the company managed to keep virtually the same level of business as the prior year with turnover at £8.3m.

The gross margin achieved on this was £2.5m representing 30.1% of turnover. Overheads were either contained or reduced in the year as part of a continual process of costs reviews. The combination of better margin and cost containment produced a profit before tax of £572k which was an increase of 53% on the prior year.

The Martin Group programme for Operational Excellence (OPEX) continued throughout 2008 and the company benefited from improvements in many areas of the business. The measures that have been instigated have certainly had a positive effect on the operating profit for the year and will continue to do so into 2009.

The business model of being spread across four market segments has again proved to be resilient to the economic climate.

#### Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of a dividend.

#### Future developments

The Martin Group has continued to make improvements to the R&D process, further improving product quality and reliability. New and innovate products are required in the dynamic lighting market and as part of a continuous pipeline of products there are plans to launch at least 7 new products in 2009. The group plans to exploit the synergies that exist within the European subsidiaries which will result in not only overhead savings but ultimately an even more focused customer service.

#### Directors

The following directors have held office since 1 January 2008:

T Browne  
C Engsted  
L Dige

#### 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 2008 was 24 days (2007 - 29 days).

# MARTIN PROFESSIONAL PLC

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

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### Auditors

A resolution proposing that Dendy Neville Limited be reappointed as auditors of the company will be put to the Annual General Meeting.

### Statement of directors' responsibilities

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 that 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.

### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



T Browne

Director

4.6.09

# **MARTIN PROFESSIONAL PLC**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF MARTIN PROFESSIONAL PLC**

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We have audited the financial statements of Martin Professional plc for the year ended 31 December 2008 set out on pages 5 to 14. 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 auditors' 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.

# MARTIN PROFESSIONAL PLC

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

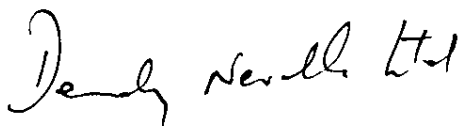
### TO THE SHAREHOLDERS OF MARTIN PROFESSIONAL PLC

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#### 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 2008 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

- 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 2008 and of its profit 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.



Dendy Neville Limited

5.6.09

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 2008

	Notes	2008 £	2007 £
Turnover	2	8,390,967	8,536,811
Cost of sales		(5,858,149)	(6,225,351)
<b>Gross profit</b>		<b>2,532,818</b>	<b>2,311,460</b>
Administrative expenses		(2,121,768)	(2,128,623)
Other operating income		46,120	46,283
<b>Operating profit</b>	<b>3</b>	<b>457,170</b>	<b>229,120</b>
Other interest receivable and similar income	4	116,769	146,287
Interest payable and similar charges	5	(1,839)	(2,370)
<b>Profit on ordinary activities before taxation</b>		<b>572,100</b>	<b>373,037</b>
Tax on profit on ordinary activities	6	(192,203)	216,203
<b>Profit for the year</b>	<b>14</b>	<b>379,897</b>	<b>589,240</b>

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 2008

	Notes	2008 £	£	2007 £	£
<b>Fixed assets</b>					
Tangible assets	7		9,401		9,136
<b>Current assets</b>					
Stocks	8	517,736		839,712	
Debtors	9	3,195,848		2,531,818	
Cash at bank and in hand		1,234		1,094	
		<u>3,714,818</u>		<u>3,372,624</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(581,942)</u>		<u>(619,380)</u>	
<b>Net current assets</b>			<u>3,132,876</u>		<u>2,753,244</u>
<b>Total assets less current liabilities</b>			<u><u>3,142,277</u></u>		<u><u>2,762,380</u></u>
<b>Capital and reserves</b>					
Called up share capital	13	3,000,000		3,000,000	
Share premium account	14	1,750,000		1,750,000	
Profit and loss account	14	(1,607,723)		(1,987,620)	
<b>Shareholders' funds</b>	15		<u><u>3,142,277</u></u>		<u><u>2,762,380</u></u>

Approved by the Board and authorised for issue on 4/6/09

*T. Browne*

T Browne  
Director

# MARTIN PROFESSIONAL PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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, and is recognised when the goods and services have been supplied.

#### 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	Short 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 its future recoverability is certain.

# MARTIN PROFESSIONAL PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

### 1 Accounting policies (continued)

#### 1.9 Related party exemption

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

#### 2 Turnover

Turnover consists of sales made to the following geographical markets and relates to one class of business.

##### Geographical market

	Turnover	
	2008	2007
	£	£
United Kingdom	8,187,785	8,357,385
EEC	176,779	171,065
USA	540	8,361
Channel Islands	25,863	-
	<u>8,390,967</u>	<u>8,536,811</u>

3 Operating profit	2008	2007
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	4,390	46,722
Operating lease rentals		
- Plant and machinery	68,652	72,728
- Other assets	106,647	99,070
and after crediting:		
Operating lease rentals		
- Plant and machinery	46,120	46,283
	<u>46,120</u>	<u>46,283</u>

##### Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts	19,250	18,715
Taxation and other	6,098	3,000
Accountancy	1,900	1,500
	<u>27,248</u>	<u>23,215</u>

# MARTIN PROFESSIONAL PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

<b>4</b>	<b>Investment income</b>	<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
	Interest received on amounts due from group companies	116,769	146,287
		<u>116,769</u>	<u>146,287</u>
<b>5</b>	<b>Interest payable</b>	<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	1,839	2,370
		<u>1,839</u>	<u>2,370</u>
<b>6</b>	<b>Taxation</b>	<b>2008</b>	<b>2007</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U.K. corporation tax	15,000	-
		<u>15,000</u>	<u>-</u>
	<b>Current tax charge</b>	15,000	-
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	177,203	(216,203)
		<u>177,203</u>	<u>(216,203)</u>
		192,203	(216,203)
		<u>192,203</u>	<u>(216,203)</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	572,100	373,037
		<u>572,100</u>	<u>373,037</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.50% (2007 - 30.00%)	163,049	111,911
		<u>163,049</u>	<u>111,911</u>
	Effects of:		
	Non deductible expenses	20,717	9,638
	Depreciation add back	1,251	14,017
	Capital allowances	(10,819)	(17,489)
	Tax losses utilised	(159,267)	(118,077)
	Other tax adjustments	69	-
		<u>(159,267)</u>	<u>(118,077)</u>
		(148,049)	(111,911)
		<u>(148,049)</u>	<u>(111,911)</u>
	<b>Current tax charge</b>	15,000	-
		<u>15,000</u>	<u>-</u>

The company has estimated losses of £ nil (2007 - £ 558,000) available for carry forward against future trading profits.

# MARTIN PROFESSIONAL PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

### 7 Tangible fixed assets

	Land and buildings Short Leasehold	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2008	170,503	425,481	9,398	605,382
Additions	-	4,655	-	4,655
Disposals	-	(151,270)	-	(151,270)
At 31 December 2008	170,503	278,866	9,398	458,767
<b>Depreciation</b>				
At 1 January 2008	170,503	416,345	9,398	596,246
On disposals	-	(151,270)	-	(151,270)
Charge for the year	-	4,390	-	4,390
At 31 December 2008	170,503	269,465	9,398	449,366
<b>Net book value</b>				
At 31 December 2008	-	9,401	-	9,401
At 31 December 2007	-	9,136	-	9,136

The cost of assets held for leasing under operating leases included within fixtures, fittings and equipment above at 31 December 2008 amounted to £142,235 (2007 - £142,235). The accumulated depreciation relating to those assets as at 31 December 2008 amounted to £142,235 (2007 - £142,235).

8 Stocks	2008 £	2007 £
Finished goods and goods for resale	517,736	839,712

# MARTIN PROFESSIONAL PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

9 Debtors	2008 £	2007 £
Trade debtors	1,166,879	834,309
Amounts owed by parent and fellow subsidiary undertakings	1,880,133	1,333,975
Other debtors	22,246	14,220
Prepayments and accrued income	87,590	133,111
Deferred tax asset (see note 11)	39,000	216,203
	<u>3,195,848</u>	<u>2,531,818</u>

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

	2008 £	2007 £
Prepayments	<u>5,956</u>	<u>16,525</u>

10 Creditors: amounts falling due within one year	2008 £	2007 £
Bank loans and overdrafts	96,060	208,601
Trade creditors	59,655	70,400
Amounts owed to parent and fellow subsidiary undertakings	6,743	37,489
Corporation tax	15,000	-
Other taxes and social security costs	310,342	227,859
Other creditors	8,040	5,776
Accruals and deferred income	86,102	69,255
	<u>581,942</u>	<u>619,380</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.

# MARTIN PROFESSIONAL PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

### 11 Provisions for liabilities

The deferred tax asset (included in debtors, note 9) is made up as follows:

	2008 £	
Balance at 1 January 2008	(216,203)	
Profit and loss account	177,203	
	<u>(39,000)</u>	
Balance at 31 December 2008	<u>(39,000)</u>	
	2008 £	2007 £
Decelerated capital allowances	(36,750)	(46,105)
Other timing differences	(2,250)	(1,733)
Tax losses available	-	(168,365)
	<u>(39,000)</u>	<u>(216,203)</u>

### 12 Pension and other post-retirement benefit commitments

#### 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 £8,040 were unpaid (2007 - £5,776).

	2008 £	2007 £
Contributions payable by the company for the year	<u>71,369</u>	<u>43,343</u>

### 13 Share capital

	2008 £	2007 £
<b>Authorised</b>		
5,000,000 Ordinary shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>
<b>Allotted, called up and fully paid</b>		
3,000,000 Ordinary shares of £1 each	<u>3,000,000</u>	<u>3,000,000</u>

# MARTIN PROFESSIONAL PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

### 14 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 January 2008	1,750,000	(1,987,620)
Profit for the year	-	379,897
Balance at 31 December 2008	<u>1,750,000</u>	<u>(1,607,723)</u>

### 15 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit for the financial year	379,897	589,240
Opening shareholders' funds	<u>2,762,380</u>	<u>2,173,140</u>
Closing shareholders' funds	<u>3,142,277</u>	<u>2,762,380</u>

### 16 Financial commitments

At 31 December 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2009:

	Land and buildings		Other	
	2008 £	2007 £	2008 £	2007 £
Operating leases which expire:				
Within one year	68,000	-	14,658	-
Between two and five years	<u>-</u>	<u>68,000</u>	<u>44,661</u>	<u>64,201</u>
	<u>68,000</u>	<u>68,000</u>	<u>59,319</u>	<u>64,201</u>



# MARTIN PROFESSIONAL PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2008

17 Directors' emoluments	2008 £	2007 £
Emoluments for qualifying services	103,533	108,681
Company pension contributions to money purchase schemes	11,550	6,182
Compensation for loss of office	-	217,700
	<u>115,083</u>	<u>332,563</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2007 - 2).

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

## 18 Employees

### Number of employees

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

	2008 Number	2007 Number
Sales and administration	<u>28</u>	<u>26</u>

### Employment costs

	2008 £	2007 £
Wages and salaries	902,213	1,018,375
Social security costs	114,731	116,880
Other pension costs	71,369	43,343
	<u>1,088,313</u>	<u>1,178,598</u>

## 19 Control

The directors regard Martin Professional 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 Professional A/S, Oluf Palmes 18, DK-8000, Aarhus and may be inspected at the company's registered office.