

THE LIGHTING COMPANY LIMITED

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

22 APRIL 1988

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THE LIGHTING COMPANY LIMITED

DIRECTORS' REPORT

The directors submit their report and the financial statements for the year (53 weeks) ended 22 April 1988.

ACTIVITIES

The company has, during the year, been engaged in shopfitting in the United Kingdom.

From 23 April 1988 the company has ceased trading and, accordingly, its assets, liabilities and undertaking have been transferred to the parent company, Havelock Europa PLC, from that date.

No dividends or transfers to special reserves are proposed. The retained loss for the year is £3,368.

DIRECTORS

The directors during the period were:

B J Ward (resigned 8 February 1989)
W W Evans
A Harper
C R Johnstone
A Latham
A T Ward
K Galletly (appointed 14 September 1987)

No director had any interest in the shares of the company. The interests of the directors in the shares of the company's parent company, Havelock Europa PLC, are disclosed in the financial statements of that company.

At no time during the year had any director a material interest in any contract to which the company was a party.

FIXED ASSETS

Information relating to changes in fixed tangible assets is given in note 6 to the financial statements.

THE LIGHTING COMPANY LIMITED

DIRECTORS' REPORT (contd)

AUDITORS

A resolution concerning the re-appointment of Peat Marwick McLintock as auditors and their remuneration will be submitted to the annual general meeting.

By order of the board

Acting Company Secretary

A handwritten signature in dark ink, appearing to be 'J. S. W.', is written over a horizontal line.

INCHINNAN

16 February 1989

AUDITORS' REPORT TO THE MEMBERS OF

THE LIGHTING COMPANY LIMITED

GLASGOW, 16 February 1989

We have audited the financial statements on pages 4 to 10 in accordance with approved auditing standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 22 April 1988 and of the loss and source and application of funds of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Peat Marwick McLintock

Chartered Accountants

THE LIGHTING COMPANY LIMITED

ACCOUNTING POLICIES

22 APRIL 1988

The effects of events which occurred before 16 February 1989, the date of approval of the financial statements by the board of directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 22 April 1988 and of the results for the year ended on that date.

The financial statements have been prepared under the historical cost convention and in accordance with S228 of, and Schedule 4 to, the Companies Act 1985.

Comparative figures relate to the period from 10 November 1986 to 17 April 1987.

Depreciation

Depreciation is provided by the company to write off the cost of fixed tangible assets by equal instalments over their estimated useful economic lives as follows:

Motor vehicles	- 4 years
Fixtures & fittings	- 6 ² / ₃ years

Stocks and work in progress

Stocks are valued at the lower of cost and estimated net realisable value. In determining the cost of raw materials, the average purchase price is used. For work in progress, cost is taken as production cost which includes an appropriate proportion of overheads. Profit is only taken when contracts are complete, all contracts being short term. Provision is made for any anticipated losses on contracts.

Deferred tax

Provision for deferred tax is made if there is reasonable evidence that such tax will be payable in the foreseeable future.

Pension costs

Havelock Europa PLC operates an insured pension scheme open to any full time, permanent employee of this subsidiary who is of eligible age and service. Payments made to the scheme and charged against profits represent a proper charge to cover the accruing liabilities on a continuing basis.

THE LIGHTING COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 22 APRIL 1988

	<u>Notes</u>	<u>1988</u>	<u>1987</u>
			(23 weeks)
		£	£
Turnover	1	761,633	152,490
Cost of sales		(734,335)	(141,658)
Gross profit		27,298	10,832
Administrative expenses		(33,088)	(5,544)
Trading (loss)/profit	2,3,4	(5,790)	5,288
Interest receivable		2,422	—
(Loss)/profit on ordinary activities		(3,368)	5,288
Tax on ordinary activities	5	—	(1,800)
(Loss)/profit on ordinary activities after taxation and for the year		<u>(3,368)</u>	<u>3,488</u>

THE LIGHTING COMPANY LIMITED

BALANCE SHEET

22 APRIL 1988

	<u>Notes</u>	<u>1988</u>	<u>1987</u>
		£	£
FIXED ASSETS			
Tangible assets	6	17,478	5,449
CURRENT ASSETS			
Stocks	7	31,353	106,671
Debtors	8	195,618	90,415
Cash at bank and in hand		12,801	11,876
		239,772	208,962
CREDITORS - Amounts falling due within one year	9	(252,130)	(205,923)
NET CURRENT (LIABILITIES)/ASSETS		(12,358)	3,039
TOTAL ASSETS LESS CURRENT LIABILITIES		5,120	8,488
CAPITAL AND RESERVES			
Called up share capital	10	5,000	5,000
Profit and loss account	11	120	3,488
		5,120	8,488

Chatham AL Director

Alan Hynes AL Director

THE LIGHTING COMPANY LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE 53 WEEKS ENDED 22 APRIL 1988

	<u>1988</u>	<u>1987</u>
	£	£
<u>SOURCE OF FUNDS</u>		
(Loss)/profit before taxation	(3,368)	5,288
Adjustment for items not involving movement of funds:		
Depreciation	<u>4,440</u>	<u>1,434</u>
Funds generated from operations	1,072	6,722
Other sources:		
Issue of share capital	<u>—</u>	<u>5,000</u>
	1,072	11,722
<u>APPLICATION OF FUNDS</u>		
Purchase of fixed tangible assets	<u>(4,299)</u>	<u>(6,883)</u>
	<u>(3,227)</u>	<u>4,839</u>
<u>INCREASE/(DECREASE) IN WORKING CAPITAL</u>		
Group companies	19,349	(165,632)
Stocks and work in progress	(75,318)	106,671
Other debtors	104,275	90,415
Other creditors	<u>(52,458)</u>	<u>(38,491)</u>
	(4,152)	(7,037)
<u>MOVEMENT IN NET LIQUID FUNDS</u>		
Increase in cash and bank balances	<u>925</u>	<u>11,876</u>
	<u>(3,227)</u>	<u>4,839</u>

THE LIGHTING COMPANY LIMITED
NOTES ON FINANCIAL STATEMENTS
22 APRIL 1988

1. TURNOVER

All of the turnover arose in the United Kingdom from the design, supply and installation of lighting systems, that being the principal activity.

2. PROFIT BEFORE TAXATION	<u>1988</u>	<u>1987</u> (23 weeks)
	£	£
The profit before taxation is stated after charging:		
Depreciation of fixed tangible assets	4,440	1,434
Auditors' remuneration (including expenses)	1,000	2,000
Directors' remuneration	<u>-</u>	<u>-</u>

3. DIRECTORS' REMUNERATION

One director received remuneration from the company during the year amounting to £16,500 (1987: £nil). The remuneration of those directors who are also directors of the parent company, Havelock Europa PLC, is disclosed in the financial statements of that company. The remuneration of the other director, who was also paid by the parent company, was £28,000 (1987: two directors - £27,450).

4. STAFF COSTS	<u>1988</u>	<u>1987</u> (23 weeks)
	<u>Number</u>	<u>Number</u>
Average number of employees by activity:		
Design, supply and installation of lighting systems	<u>3</u>	<u>2</u>
	£	£
Wages and salaries	36,544	14,717
Social security costs	2,977	1,301
Pension contributions	<u>1,600</u>	<u>800</u>
	<u>41,121</u>	<u>16,618</u>

5. TAX ON ORDINARY ACTIVITIES	<u>1988</u>	<u>1987</u> (23 weeks)
	£	£
UK Corporation tax @ 29%	<u>-</u>	<u>1,800</u>

THE LIGHTING COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS (contd)

22 APRIL 1988

6. FIXED TANGIBLE ASSETS

<u>Cost</u>	<u>Motor vehicles</u> £	<u>Fixture and fittings</u> £	<u>Total</u> £
At 17 April 1987	6,883	-	6,883
Additions	-	4,299	4,299
Group transfers	10,132	498	10,630
At 21 April 1988	17,015	4,797	21,812

Depreciation

At 17 April 1987	1,434	-	1,434
Group transfers	(1,577)	37	(1,540)
Charge for period	3,888	552	4,440
At 22 April 1988	3,745	589	4,334

Net book amount

At 22 April 1988	13,270	4,208	17,478
At 17 April 1987	5,449	-	5,449

7. STOCKS

	<u>1988</u> £	<u>1987</u> £
Raw materials and consumables	6,546	
Work in progress	24,807	106,67
	<u>31,353</u>	<u>106,67</u>

8. DEBTORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1988</u> £	<u>1987</u> £
Trade debtors	193,025	90,4
Prepayments	1,665	
Due by fellow subsidiary company	928	
	<u>195,618</u>	<u>90,</u>

THE LIGHTING COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS (contd)

22 APRIL 1988

9. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>1988</u>	<u>1987</u>
	£	£
Tax and social security	30,692	19,124
Corporation tax	1,800	1,800
Accruals and deferred income	60,257	19,367
Due to parent company	<u>159,381</u>	<u>165,632</u>
	<u>252,130</u>	<u>205,923</u>

10. CALLED UP SHARE CAPITAL	<u>Authorised</u>	<u>Allotted, issued, and fully paid</u>
	£	£
Ordinary shares of £1 each	<u>50,000</u>	<u>5,000</u>

11. RESERVES	<u>1988</u>	<u>1987</u>
	£	£
At beginning of period	3,488	-
Retained (loss)/profit	<u>(3,368)</u>	<u>3,488</u>
	<u>120</u>	<u>3,488</u>

12. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is Havelock Europa PLC which is registered in England.