

 Peat Marwick McLintock

THE LIGHTING COMPANY LIMITED

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

17 APRIL 1987

THE LIGHTING COMPANY LIMITED

DIRECTORS' REPORT

The directors submit their report and the financial statements for the period ended 17 April 1987.

INCORPORATION AND CHANGE OF NAME

The company was incorporated on 3 June 1986 under the name Pacific Shelf (Forty-eight) Limited. On 24 September 1986 the name of the company was changed to The Specialist Lighting Company Limited and on 14 October 1986 the name was again changed to The Lighting Company Limited.

ACTIVITIES

The company commenced trading on 10 November 1986 and is engaged in shopfitting in the United Kingdom.

The directors intend the company to maintain its present business at current or increasing levels of activity. They do not envisage major future developments and there have been no important events since the period-end. No dividends or transfers to special reserves are proposed. The profit for the year retained is £3,488.

DIRECTORS

On incorporation of the company, the directors were A. Stewart and I. Bankier who held one ordinary share of £1 each until they resigned on 24 September 1986, the date the company was acquired by Havelock Europa PLC.

Other directors during the period who were all appointed on 24 September 1986 were:

B.J. Ward (Managing Director)
W.W. Evans
A. Harper
C.R. Johnstone
A. Latham
A.T. Ward

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 in 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.

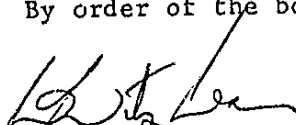
THE LIGHTING COMPANY LIMITED

DIRECTORS' REPORT (contd)

AUDITORS

Our auditors, KMG Thomson McLintock are merging with Peat Marwick Mitchell & Co and are now practising under the name of Peat Marwick McLintock. Accordingly they have signed the audit report in their new name. A resolution concerning the appointment of Peat Marwick McLintock as auditors and their remuneration will be submitted to the annual general meeting.

By order of the board



Secretary

INCHINNAN

7 August 1987

AUDITORS' REPORT TO THE MEMBERS OF

THE LIGHTING COMPANY LIMITED

GLASGOW, 7 August 1987

We have audited the financial statements on pages 4 to 9 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 17 April 1987 and of the profit and source and application of funds of the company for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Robert Hamilton & Co. Chartered Accountants

Chartered Accountants

THE LIGHTING COMPANY LIMITED

ACCOUNTING POLICIES

17 APRIL 1987

The effects of events which occurred before 7 August 1987, 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 17 April 1987 and of the results for the period 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.

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:

Vehicles - 4 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 deferred tax would 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

23 WEEK PERIOD SINCE COMMENCEMENT OF TRADING TO 17 APRIL 1987

	<u>Notes</u>	£
Turnover	1	152,490
Cost of sales		(141,658)
Gross profit		<u>10,832</u>
Administrative expenses		<u>(5,544)</u>
Trading profit	2	5,288
Tax on ordinary activities	5	<u>(1,800)</u>
Profit on ordinary activities after tax for the financial period		<u><u>3,488</u></u>

THE LIGHTING COMPANY LIMITED

BALANCE SHEET

17 APRIL 1987

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

B. J. J. J.
L. J. J. J.

Director

Director

THE LIGHTING COMPANY LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

23 WEEK PERIOD SINCE COMMENCEMENT OF TRADING TO 17 APRIL 1987

	£
<u>SOURCE OF FUNDS</u>	
Profit before taxation	5,288
Adjustment for items not involving movement of funds:	
Depreciation	<u>1,434</u>
Funds generated from operations	6,722
Other sources:	
Issue of share capital	<u>5,000</u>
	11,722
 <u>APPLICATION OF FUNDS</u>	
Purchase of fixed tangible assets	<u>(6,883)</u>
	<u>4,839</u>
 <u>WORKING CAPITAL</u>	
Funding by group companies	(165,632)
Funding of stocks and work in progress	106,671
Funding of other debtors	90,415
Funding by other creditors	<u>(38,491)</u>
	(7,037)
 <u>MOVEMENT IN NET LIQUID FUNDS</u>	
Increase in cash and bank balances	<u>11,876</u>
	<u>4,839</u>

THE LIGHTING COMPANY LIMITED
NOTES ON FINANCIAL STATEMENTS
17 APRIL 1987

1. **TURNOVER**

The company was incorporated on 3 June 1986, and commenced trading on 10 November 1986.

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**

£

The profit before taxation is stated after charging:

Depreciation of fixed tangible assets	1,434
Auditors' remuneration (including expenses)	2,000
Directors' remuneration	-
	<u> </u>

3. **DIRECTORS' REMUNERATION**

None of the directors received remuneration from the company during the year. The remuneration of those who are directors of the parent company, Havelock Europa PLC, is disclosed in the financial statements of that company. The remuneration of the other director, which was also paid by the parent company, was £27,450.

4. **STAFF COSTS**

Number

Average number of employees by activity:	
Design, supply and installation of lighting systems	<u>2</u>

£

Wages and salaries	14,717
Social security costs	1,101
Pension contributions	800
	<u>16,618</u>

5. **TAX ON ORDINARY ACTIVITIES**

£

UK Corporation tax @ 29%	<u>1,800</u>
--------------------------	--------------

THE LIGHTING COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS (contd)

17 APRIL 1987

6. FIXED TANGIBLE ASSETS		<u>Motor vehicle</u>
		£
<u>Cost</u>		
Additions during period		6,883
<u>Depreciation</u>		
Charge for period		<u>1,434</u>
<u>Net Book Value</u>		<u>5,449</u>
7. STOCKS		£
Work in progress		<u>106,671</u>
8. DEBTORS : AMOUNTS FALLING DUE WITHIN ONE YEAR		£
Trade debtors		<u>90,415</u>
9. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR		£
Tax and social security		19,124
Corporation tax		1,800
Accruals and deferred income		19,367
Due to parent company		<u>165,632</u>
		<u>205,923</u>
10. CALLED UP SHARE CAPITAL		
	<u>Authorised</u>	<u>Allotted in the period, issued, and fully paid</u>
	£	£
Ordinary shares of £1 each	<u>50,000</u>	<u>5,000</u>
11. ULTIMATE HOLDING COMPANY		
The company's immediate and ultimate holding company is Havelock Europa PLC which is registered in England.		