

Company Registration No. 2024289 (England and Wales)

REGISTRAR'S  
COPY

LUXONIC LIGHTING PLC

DIRECTORS' REPORT  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2006

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# LUXONIC LIGHTING PLC

## COMPANY INFORMATION

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<b>Directors</b>	N Tavaré N T Shelton R Conboy J Goodman
<b>Secretary</b>	J Goodman
<b>Company number</b>	2024289
<b>Registered office</b>	Unit 15 Moniton Trading Estate West Ham Lane Off Worting Road Basingstoke, Hampshire RG22 6NQ
<b>Auditors</b>	HW Viewpoint Basing View Basingstoke Hampshire RG21 4RG
<b>Business address</b>	Unit 15 Moniton Trading Estate West Ham Lane Off Worting Road Basingstoke, Hampshire RG22 6NQ
<b>Bankers</b>	Lloyds TSB Bank plc 2 Winchester Street Basingstoke Hampshire RG21 1EB

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# LUXONIC LIGHTING PLC

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# LUXONIC LIGHTING PLC

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2006

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The directors present their report and financial statements for the year ended 31 August 2006.

#### Principal activities and review of the business

The principal activity of the company continued to be that of lighting designers and manufacturers.

We are designers and manufacturers of commercial lighting products and lighting controls for sale to electrical contractors, electrical wholesalers and end users. For further information on the company's products please visit [www.luxonic.co.uk](http://www.luxonic.co.uk).

As a result of major restructuring programme during the last three years, the company is pleased to report profits in line with its planned progress. The second phase of restructuring will take place in 2007 which will see the business relocate to a new production and headquarter facility. This will secure the requirements of our customers and to provide modern lighting solutions.

The directors are pleased to report an increase in sales of 27% compared to the previous year.

The company uses two key performance indicators, these being profitability and return on capital employed. Profitability increased by 155% and we note a 27% return on capital employed.

#### Results and dividends

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

The directors do not recommend payment of a further dividend.

#### Directors

The following directors have held office since 1 September 2005:

N Tavaré  
N T Shelton  
R Conboy  
J Goodman

#### Directors' interests

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

	Ordinary shares of £1 each	
	31 August 2006	1 September 2005
N Tavaré	37,500	37,500
N T Shelton	12,500	12,500
R Conboy	1,010	-
J Goodman	-	-

#### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that HW (formerly Haines Watts) be reappointed as auditors of the company will be put to the Annual General Meeting.

# LUXONIC LIGHTING PLC

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2006**

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### 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;
- 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 auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



N T SHELTON

DIRECTOR

Dated: 23-3-2007

# **LUXONIC LIGHTING PLC**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF LUXONIC LIGHTING PLC**

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We have audited the financial statements of Luxonic Lighting plc for the year ended 31 August 2006 set out on pages 5 to 22. 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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.

# LUXONIC LIGHTING PLC

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE SHAREHOLDERS OF LUXONIC LIGHTING 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 August 2006 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.

*HW*

HW

29 March 2007

Registered Auditors and  
Chartered Accountants

Viewpoint  
Basingstoke  
Hampshire  
RG21 4RG

# LUXONIC LIGHTING PLC

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2006

	Notes	2006 £	2005 £
Turnover	2	9,276,219	7,306,589
Cost of sales		(6,292,114)	(4,761,798)
<b>Gross profit</b>		2,984,105	2,544,791
Distribution costs		(983,850)	(848,066)
Administrative expenses		(1,491,855)	(1,442,339)
<b>Operating profit</b>	3	508,400	254,386
Other interest receivable and similar income	4	189	658
Interest payable and similar charges	5	(72,377)	(83,526)
<b>Profit on ordinary activities before taxation</b>		436,212	171,518
Tax on profit on ordinary activities	6	(120,004)	(39,130)
<b>Profit for the year</b>	17	316,208	132,388

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.



# LUXONIC LIGHTING PLC

## BALANCE SHEET AS AT 31 AUGUST 2006

	Notes	2006 £	£	2005 £	£
<b>Fixed assets</b>					
Tangible assets	8	1,132,727		1,106,789	
Investments	9	59,667		59,667	
		<u>1,192,394</u>		<u>1,166,456</u>	
<b>Current assets</b>					
Stocks	10	939,656		723,814	
Debtors	11	1,776,161		1,698,913	
Cash at bank and in hand		61,172		46,106	
		<u>2,776,989</u>		<u>2,468,833</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(2,559,657)</u>		<u>(2,460,074)</u>	
<b>Net current assets</b>		<u>217,332</u>		<u>8,759</u>	
<b>Total assets less current liabilities</b>		<u>1,409,726</u>		<u>1,175,215</u>	
<b>Creditors: amounts falling due after more than one year</b>	13	(179,166)		(169,980)	
<b>Provisions for liabilities</b>	14	(74,126)		(73,171)	
		<u>1,156,434</u>		<u>932,064</u>	
<b>Capital and reserves</b>					
Called up ordinary share capital	16	51,010		50,000	
Share premium account	17	1,010		-	
Revaluation reserve	17	167,731		167,731	
Profit and loss account	17	936,683		714,333	
<b>Shareholders' funds</b>	18	<u>1,156,434</u>		<u>932,064</u>	

Approved by the Board and authorised for issue on 23-3-2007

N. Tavaré  
N TAVARÉ  
Director

# LUXONIC LIGHTING PLC

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2006

	£	2006 £	£	2005 £
<b>Net cash inflow from operating activities</b>		807,569		183,234
<b>Returns on investments and servicing of finance</b>				
Interest received	189		658	
Interest paid	(72,377)		(83,526)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(72,188)		(82,868)
<b>Taxation</b>		(2,608)		-
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(102,984)		(81,752)	
Receipts from sales of tangible assets	32,500		33,149	
<b>Net cash outflow for capital expenditure</b>		(70,484)		(48,603)
<b>Equity dividends paid</b>		(93,858)		(65,000)
<b>Net cash inflow before management of liquid resources and financing</b>		568,431		(13,237)
<b>Financing</b>				
Issue of ordinary share capital	2,020		-	
Repayment of long term bank loan	(480,072)		(23,643)	
Capital element of hire purchase contracts	(46,418)		(29,807)	
<b>Net cash inflow from financing</b>		(524,470)		(53,450)
<b>Increase in cash in the year</b>		43,961		(66,687)

# LUXONIC LIGHTING PLC

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2006

1	Reconciliation of operating profit to net cash inflow from operating activities	2006	2005
		£	£
	Operating profit	508,400	254,385
	Depreciation of tangible assets	171,126	189,335
	Loss on disposal of tangible assets	23,890	9,352
	Increase in stocks	(215,842)	(1,358)
	(Increase)/decrease in debtors	(77,248)	233,032
	Increase/(decrease) in creditors within one year	397,243	(501,512)
	<b>Net cash inflow from operating activities</b>	<b>807,569</b>	<b>183,234</b>

2	Analysis of net debt	1 September 2005	Cash flow	Other non-cash changes	31 August 2006
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	46,106	15,066	-	61,172
	Bank overdrafts	(193,805)	28,895	-	(164,910)
		(147,699)	43,961	-	(103,738)
	Bank deposits	-	-	-	-
	Debt:				
	Finance leases	(38,671)	(104,052)	-	(142,723)
	Debts falling due within one year	(906,201)	484,750	-	(421,451)
	Debts falling due after one year	(154,451)	(24,174)	-	(178,625)
		(1,099,323)	356,524	-	(742,799)
	<b>Net debt</b>	<b>(1,247,022)</b>	<b>400,485</b>	<b>-</b>	<b>(846,537)</b>

3	Reconciliation of net cash flow to movement in net debt	2006	2005
		£	£
	Increase/(decrease) in cash in the year	43,961	(66,687)
	Cash outflow from decrease in debt and lease financing	356,524	426,416
	<b>Movement in net debt in the year</b>	<b>400,485</b>	<b>359,729</b>
	Opening net debt	(1,247,022)	(1,606,751)
	<b>Closing net debt</b>	<b>(846,537)</b>	<b>(1,247,022)</b>

# LUXONIC LIGHTING PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2006

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

#### 1.2 Compliance with accounting standards

The financial statements have been prepared in accordance with applicable accounting standards.

#### 1.3 Turnover

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

Sales are recognised as and when invoices are raised and goods are despatched.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated, on a monthly basis, to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings (freehold)	See below
Plant and machinery	20% Reducing balance
Fixtures, fittings & equipment	20% - 33% Reducing balance
Motor vehicles	33.3% Reducing balance

No depreciation is provided in respect of freehold land and buildings. It is the company's practice to maintain those buildings in a continual state of sound repair and to make improvements thereto from time to time and accordingly, in the opinion of the directors, the useful economic lives of those properties and their residual values is such that the depreciation charge would be immaterial. Therefore, the requirement under FRS 15 to depreciate is not applicable.

#### 1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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

#### 1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.7 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value after making due allowances for slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

# LUXONIC LIGHTING PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

### 1 Accounting policies

(continued)

#### 1.8 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

#### 1.9 Deferred taxation

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.

#### 1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

#### 1.11 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The subsidiary has been excluded from the consolidation as the subsidiary is not material, in accordance with section 229(2) of the Companies Act 1985.

### 2 Turnover

#### Geographical market

	Turnover	
	2006	2005
	£	£
Europe	22,945	21,343
United Kingdom	9,253,274	7,285,246
	<u>9,276,219</u>	<u>7,306,589</u>

### 3 Operating profit

	2006	2005
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	171,126	189,335
Loss on disposal of tangible assets	23,890	9,352
Loss on foreign exchange transactions	367	4,701
Operating lease rentals	199,894	169,952
Plant and machinery	-	-
Auditors' remuneration	5,000	5,000
Remuneration of auditors for non-audit work	3,626	3,185

# LUXONIC LIGHTING PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

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<b>4</b>	<b>Investment income</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	Bank interest	189	658
		<u>          </u>	<u>          </u>

<b>5</b>	<b>Interest payable</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	52,939	66,213
	On other loans wholly repayable within five years	13,842	14,057
	Hire purchase interest	5,511	3,256
	Other interest	85	-
		<u>          </u>	<u>          </u>
		<u>72,377</u>	<u>83,526</u>

# LUXONIC LIGHTING PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

6	Taxation	2006 £	2005 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	119,049	2,611
	<b>Current tax charge</b>	119,049	2,611
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	955	36,519
		120,004	39,130
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	436,212	171,518
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005 - 19.00%)	130,864	32,588
	Effects of:		
	Non deductible expenses	15,902	5,932
	Depreciation add back	47,888	35,974
	Capital allowances	(47,814)	(41,621)
	Tax losses utilised	-	(30,262)
	Other tax adjustments	(27,791)	-
		(11,815)	(29,977)
	<b>Current tax charge</b>	119,049	2,611
7	<b>Dividends</b>	2006 £	2005 £
	Ordinary interim paid	93,858	65,000
		93,858	65,000

# LUXONIC LIGHTING PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

### 8 Tangible fixed assets

	Land and buildings (freehold) £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 September 2005	425,000	2,359,778	444,211	117,209	3,346,198
Additions	-	211,652	9,613	32,189	253,454
Disposals	-	(149,064)	(30,295)	(66,619)	(245,978)
At 31 August 2006	425,000	2,422,366	423,529	82,779	3,353,674
<b>Depreciation</b>					
At 1 September 2005	-	1,848,556	330,236	60,617	2,239,409
On disposals	-	(118,649)	(29,641)	(41,298)	(189,588)
Charge for the year	-	114,602	37,214	19,310	171,126
At 31 August 2006	-	1,844,509	337,809	38,629	2,220,947
<b>Net book value</b>					
At 31 August 2006	425,000	577,857	85,720	44,150	1,132,727
At 31 August 2005	425,000	511,222	113,975	56,592	1,106,789

During the year ended 31 August 2002 the freehold property in Basingstoke was revalued to £425,000 on the basis of existing use by Woodford and Company, Chartered Surveyors.

#### Comparable historical cost for the land and buildings included at valuation:

	£
<b>Cost</b>	
At 1 September 2005 & at 31 August 2006	257,269
<b>Depreciation based on cost</b>	
At 1 September 2005	-
Charge for the year	-
At 31 August 2006	-
<b>Net book value</b>	
At 31 August 2006	257,269
At 31 August 2005	257,269



# LUXONIC LIGHTING PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

### 8 Tangible fixed assets

(continued)

Included above are assets held under finance leases or hire purchase contracts as follows:

	<b>Plant and machinery</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Net book values</b>			
At 31 August 2006	126,000	36,643	162,643
At 31 August 2005	-	50,815	50,815
<b>Depreciation charge for the year</b>			
At 31 August 2006	9,000	5,976	14,976
At 31 August 2005	-	17,474	17,474

# LUXONIC LIGHTING PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

### 9 Fixed asset investments

	Shares in subsidiary undertakings £
<b>Cost or valuation</b>	
At 1 September 2005 & at 31 August 2006	59,667
<b>Net book value</b>	
At 31 August 2006	59,667
At 31 August 2005	59,667

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
<b>Subsidiary undertakings</b>			
Program Lighting Limited	England and Wales	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2006 £	Profit for the year 2006 £
	<b>Principal activity</b>		
Program Lighting Limited	dormant	59,667	-

### 10 Stocks and work in progress

	2006 £	2005 £
Raw materials and consumables	603,763	522,338
Work in progress	269,580	160,674
Finished goods and goods for resale	66,313	40,802
	939,656	723,814

# LUXONIC LIGHTING PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

11 Debtors	2006 £	2005 £
Trade debtors	1,607,299	1,571,081
Other debtors	116,561	82,325
Prepayments and accrued income	52,301	45,507
	<u>1,776,161</u>	<u>1,698,913</u>

Trade debtors include £421,451 (2005 - £876,201) which are secured under a full recourse agreement under the company's debt factoring arrangements.

12 Creditors: amounts falling due within one year	2006 £	2005 £
Bank loans and overdrafts	254,372	223,805
Net obligations under hire purchase contracts	33,224	23,142
Trade creditors	1,227,021	860,264
Corporation tax	119,183	2,742
Other taxes and social security costs	242,475	209,399
Directors' current accounts	23,897	15,707
Other creditors	496,480	951,813
Accruals and deferred income	163,005	173,202
	<u>2,559,657</u>	<u>2,460,074</u>

The bank loan and overdraft is secured by a mortgage debenture over the freehold property, and is repayable by instalments at an interest rate of 2% over base rate.

Net obligations under finance leases and hire purchase contracts, amounting to £33,224 (2005 - £23,142), are secured on the assets to which they relate.

# LUXONIC LIGHTING PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

13 Creditors: amounts falling due after more than one year	2006 £	2005 £
Bank loans	-	84,784
Other loans	59,667	59,667
Net obligations under hire purchase contracts	109,499	15,529
Other creditors	10,000	10,000
	<u>179,166</u>	<u>169,980</u>

### Analysis of loans

Not wholly repayable within five years by instalments:

Bank loan	-	(84,784)
Wholly repayable within five years	570,580	1,135,436

	570,580	1,050,652
Included in current liabilities	(510,913)	(906,201)

	<u>59,667</u>	<u>144,451</u>
Instalments not due within five years	<u>59,667</u>	<u>59,667</u>

### Loan maturity analysis

In more than one year but not more than two years	-	30,000
In more than two years but not more than five years	-	54,784
In more than five years	59,667	59,667

The net obligations under finance leases and hire purchase contracts, amounting to £109,499 (2005 - £15,529), are secured on the assets concerned and are all repayable within five years.

### Net obligations under hire purchase contracts

Repayable within one year	33,224	23,142
Repayable between one and five years	109,499	15,529
	<u>142,723</u>	<u>38,671</u>
Included in liabilities falling due within one year	(33,224)	(23,142)
	<u>109,499</u>	<u>15,529</u>

# LUXONIC LIGHTING PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

### 14 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 September 2005	73,171
Profit and loss account	2,291
Revaluation reserve	(1,336)
Balance at 31 August 2006	<u>74,126</u>

The deferred tax liability is made up as follows:

	2006 £	2005 £
Accelerated capital allowances	54,907	52,616
Surplus on revaluation of land and buildings	19,219	20,555
	<u>74,126</u>	<u>73,171</u>

The revaluation of properties does not constitute a timing difference and the potential amount of deferred tax on this has therefore not been quantified.

### 15 Pension costs

The company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £42,531 (2005 - £46,570). Contributions totalling £5,029 (2005 - £5,612) were payable to the fund at the year end.

16 Share capital	2006 £	2005 £
<b>Authorised</b>		
250,000 Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>
<b>Allotted, called up and fully paid</b>		
51,010 Ordinary shares of £1 each	<u>51,010</u>	<u>50,000</u>

During the year 1,010 ordinary shares of £1 each were issued at premium of £1 for cash consideration.

# LUXONIC LIGHTING PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

### 17 Statement of movements on reserves

	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance at 1 September 2005	-	167,731	714,333
Profit for the year	-	-	316,208
Premium on shares issued during the year	1,010	-	-
Dividends paid	-	-	(93,858)
Balance at 31 August 2006	1,010	167,731	936,683

### 18 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Profit for the financial year	316,208	132,388
Dividends	(93,858)	(65,000)
	222,350	67,388
Proceeds from issue of shares	2,020	-
Net addition to shareholders' funds	224,370	67,388
Opening shareholders' funds	932,064	864,676
Closing shareholders' funds	1,156,434	932,064

### 19 Financial commitments

At 31 August 2006 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 August 2007:

	Land and buildings		Other	
	2006 £	2005 £	2006 £	2005 £
Operating leases which expire:				
Within one year	91,669	34,475	-	-
Between two and five years	-	-	1,633	1,633
In over five years	-	78,500	-	-
	91,669	112,975	1,633	1,633

# LUXONIC LIGHTING PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

### 20 Capital commitments

The company had paid deposit for a new motor vehicle totalling £ 1,430 prior to the year end.

### 21 Directors' emoluments

	2006 £	2005 £
Emoluments for qualifying services	246,932	220,623
Company pension contributions to money purchase schemes	20,054	18,155
	<u>266,986</u>	<u>238,778</u>
Emoluments disclosed above include the following amounts paid to the highest paid director:		
Emoluments for qualifying services	68,642	62,591
Accrued pension at the end of the year	<u>5,516</u>	<u>5,432</u>

The number of directors for whom retirement benefit are accruing under defined contribution schemes amounted to 4 (2005 - 4).

### 22 Transactions with directors

The following directors had interest free loans during the year. The movement on these loans are as follows:

	Amount outstanding 2006 £	2005 £	Maximum in year £
N Tavaré	<u>93,877</u>	<u>68,233</u>	<u>140,783</u>

# LUXONIC LIGHTING PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006

### 23 Employees

#### Number of employees

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

	2006 Number	2005 Number
Production	62	56
Sales	9	10
Administration and management	22	22
	<u>93</u>	<u>88</u>

#### Employment costs

	2006 £	2005 £
Wages and salaries	2,033,794	1,921,156
Social security costs	228,169	208,116
Other pension costs	42,531	46,570
	<u>2,304,494</u>	<u>2,175,842</u>

### 24 Control

Throughout the year, the company was controlled by N Tavaré, a director and majority shareholder.

### 25 Related party transactions

At the year end N T Shelton, a director, was owed by the company £23,897 (2005 - £15,707). This movement represents cash paid to the company of £23,000, interest received of £1,784 and personal expenses paid for by the company of £16,593.

Included in creditors is a loan received from Lady Tavaré, the mother of the director. At the year end the amount outstanding on the loan was £70,000 (2005 - £70,000), interest is paid on the loan at a rate of 8% and during the year amounted to £5,600 (2005 - £5,600), as at 31 August 2006 £465 (2005 - £655) remained outstanding.

During the year Mrs S Tavaré and Mrs H Shelton, the wives of two directors, had emoluments totalling £24,696 (2005 - £23,632) and £39,560 (2005 - £37,057) respectively.

Mrs S Conboy the wife of R Conboy, director, received emoluments totalling £14,000 (2005 - £5,833) during the year.



# **LUXONIC LIGHTING PLC**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2006**

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### **26 Post balance sheet events**

After the year end, the company borrowed £1.6m at a rate of 1.25% plus base rate to finance the purchase of a property.