FW Thorpe Plc

industrial commercial architectural emergency low energy retail heritage control gear energy conserving systems

passionate about lighting

Annual Report and Accounts 2007

designers, manufacturers and suppliers...

Contents

...of professional lighting systems

Introduction

Specialising in the design and manufacture of lighting equipment for the specification market, the group employs over 500 people and although each of our companies works autonomously, our skills and markets are complementary. We focus on long-term growth and stability, achieved by developing market leading products, backed by excellent customer service. With a management team passionate about growing global business, the group continues to work for the benefit of our shareholders, employees and customers.

The energy, ability and loyalty of our staff ensures that we continue to look forward to the future with enthusiasm.

Directors and advisers

Directors
A B Thorpe
Chairman and Joint Chief Executive

P D Mason BSc(Eng) FCA MIEE
Financial Director and Joint Chief Executive

M Allcock CEng FIEE
Technical Director and
Managing Director of Thorlux Lighting

D A Dimeloe BSc PhD
Managing Director of Mackwell Electronics

D M Lippold BSc ACA
Managing Director of Compact Lighting
Resigned 4 October 2007

C M Brangwin BSc CEng MIEE (aged 69)
Non-executive Director
After joining the company in 1963, he was appointed a Director in 1969, later as joint Managing Director and in 1995 was appointed Chairman. He became non-executive Chairman in 2000, resigning from this role on 30 June 2003.

I A Thorpe (aged 61)
Non-executive Director
Manufacturing Director of Thorlux Lighting from 1978 until 1993 when he became Personnel Director. He became a Non-executive Director on 1 October 1997.

Secretary
P D Mason BSc(Eng) FCA MIEE

Auditors
PricewaterhouseCoopers LLP, Cornwall Court,
19 Cornwall Street, Birmingham, B3 2DT

Bankers
Lloyds TSB, Church Green East,
Redditch, Worcestershire, B98 8BZ

Solicitors
Martineau Johnson, No 1 Colmore Square,
Birmingham, B4 6AA

Nominated Adviser
Brewin Dolphin Securities, Edmund House,
12–22 Newhall Street, Birmingham, B3 3DB

Registrars
Equiniti, Aspect House, Spencer Road,
Lancing, BN99 6DA

Registered Office
Merse Road, North Moons Moat,
Redditch, Worcestershire, B98 9HH

Registered No.
317886

Web Sites
www.fwthorpe.co.uk
www.thorlux.com
www.thorlux.de
www.thorlux.ie
www.thorlux.es
www.mackwell.co.uk
www.compact-lighting.co.uk
www.p-payne.co.uk
www.sugglighting.co.uk

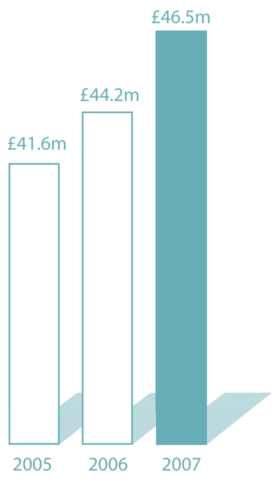
Five year financial record

	2003 £'000	2004 £'000	2005 £'000	2006 £'000	**2007 £'000**
Turnover	32,677	37,258	41,572	44,204	**46,508**
Operating profit	3,487	5,020	5,338	6,877	**8,221**
Interest receivable and similar income	245	342	378	543	**833**
Profit before taxation	3,732	5,362	5,716	7,420	**9,054**
Taxation	(1,110)	(1,479)	(1,479)	(2,224)	**(2,168)**
Profit after taxation	2,622	3,883	4,237	5,196	**6,886**
Dividends	773	1,014	1,054	1,247	**2,885**
Net assets	21,809	24,746	25,116	30,100	**34,368**
Earnings per share — basic	22.4p	33.1p	35.8p	43.8p	**57.9p**
Dividends per share	6.6p	8.6p	8.9p	10.5p	**24.25p**
Net assets per share	186p	210p	212p	253p	**289p**

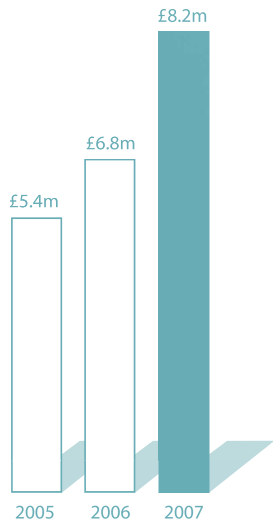
Restatement of dividends and pensions has not been made for years prior to 2004, to reflect the adoption of FRS 21 and 17 respectively.

Financial highlights

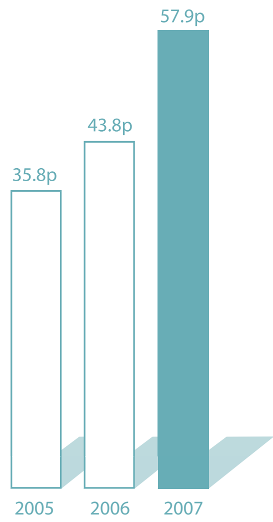
Turnover



Operating profit



Earnings per share



Chairman's statement

"The strength of our market depends on others having money to spend on new health centres, office buildings, schools, etc. — we have the products and the enthusiasm . . . "

Turnover for the year ended 30 June 2007 was £46.5m as compared to £44.2m for the corresponding period last year, an increase of 5%. Operating profit after exceptional items was £8.2m, this being a rise of 20% over last year's £6.9m. Interest receivable and other income also improved 53% to deliver a resultant profit before tax of £9.1m, being an increase of 22% compared to the year ended 30 June 2006.

Trading throughout the year has been encouraging with all group companies, bar Sugg Lighting Ltd, turning in improved performances. Performance drivers remain the development of good new innovative products and their availability for our sales force to sell, together with a desire to broaden the markets in which we can operate successfully. We have many and varied good lighting products and systems but need to establish a greater coverage of existing sales areas and develop more new territories to capitalise on the market potential of these products. If we are not there to sell them, customers cannot buy them! The two largest companies in the group, Thorlux and Mackwell, generate relatively strong export sales and steps are being taken by both companies to widen their coverage. The smaller companies in the group export little but have made progress in improving coverage within the UK.

In general, our companies continue also to formulate, design, manufacture and market new products. Some new designs are updates of existing products, some are new products to capitalise on new lighting technologies such as LED (light emitting diode) light sources, and some are more 'euro style' product ranges not only to assist with our drive abroad but also to "Europeanise" our general product offering. More competition on our own UK market now originates from within greater Europe, and this competition has successfully been implanting European ideas on lighting into the UK market.

Investment during the year has, as last year, been at a moderate level with Thorlux investing some £130k in powder paint plant improvements, Mackwell spending some £196k improving their manufacturing processes and Philip Payne fitting out their new factory purchased just at the end of the last financial year. Fitting out has also taken place of the small 60 square metre office block at the back of the Philip Payne factory which is currently being marketed as rentable office space.

In last year's report I mentioned that our group had moved to AIM in January 2006 and I would like to report that we are now firmly established on the AIM market.

In view of the results detailed at the beginning of this report, your Board recommends a final dividend of 10p per share (2006: 9.0p) which, when added to the interim dividend already paid, makes a total dividend per share for the year of 13.25p (2006: 12p — total interim and final dividend, excluding the special dividend). This is an increase of 10.4%, excluding the special dividend of 12p per share.

Thorlux Lighting

Thorlux, being the group's largest company producing 'mainline' commercial and industrial lighting equipment and systems, progressed to another record turnover and profit, up 4% and 11% respectively on last year.

Improved sales performances have been achieved at Thorlux in both home and export, of which the latter now represents 9% of total turnover up from 7% in the last financial year. Worldwide sales rose 34%, Republic of Ireland sales increased by 190% and Germany sales by 140%. Our German office has increased to a strength of three due to the addition of one full-time Salesman and with the recent introduction of a full German language catalogue, our quest for greater market recognition and further sales in Germany continues. The wish to position another Thorlux employed Salesman in another European territory has not yet happened but the intention is crystallized and action is imminent.

The new lighting system communicating via GPRS, and mentioned as an imminent product addition in last year's report, has been introduced as the Thorlux 'Scanlight AT' emergency lighting system. The system has, primarily, been designed to use LED light sources for emergency lighting in a system which can fulfil legal testing obligations by interrogation for operational functionality via GPRS from anywhere with communications access. That is, that if a worldwide organisation equipped all its facilities with Scanlight AT, the whole worldwide system could be interrogated from a laptop computer on a beach in Barbados with no requirement for costly local onsite inspection, testing, logging, etc. This new product has taken to the market well and is virtually "fit and forget" emergency lighting.

Mackwell

The group's manufacturer of emergency lighting control gear and systems also provided a record year with turnover up 11% and profit up 43% compared to the previous year ended 30 June 2006. Current output is stretching fixed capacity despite the installation of some new additional plant and some more efficient replacement plant. Further investment may be required next year.

Mackwell's home and export markets for traditional emergency lighting control gear remain strong although certain markets, as expected, are showing an increasing demand for LED emergency lighting products. Last year LED products accounted for 1% of Mackwell's total turnover compared to a figure of 7% of total turnover for this year.

The company will continue to seek product opportunities using LED technology and in other market areas outside the normal limits of traditional emergency lighting control gear.

Compact Lighting

Compact Lighting , manufacturers of retail space lighting, also achieved a record year with sales up 19% on the previous year and profit up 66%. The market for retail lighting is, as I have explained previously, somewhat volatile and can change quicker than most other areas of lighting. If retail spending slows, store groups can quickly slow or stop investment in store refurbishments! This is a creditable performance and continues the general growth pattern of Compact's business.

Philip Payne

As mentioned in last year's report, Philip Payne moved into its new group-owned premises in Thornhill Road, Solihull, across the road from its previous rented building. This move unfortunately coincided with five of the total of seventeen staff wishing to move on, and on this point I would like to express my thanks to the core team at Payne's for weathering this storm and emerging into the current comparatively blue skies. Such times tend to avert the eye from future planning. However, the return of stability has allowed Payne's to move forward again and with two new exciting products about to be launched and a 100% increase to two members of the external sales team, the possibilities for the coming year look encouraging.

Sugg Lighting

Sugg Lighting, our troubled heritage lighting manufacturer, has undergone another restructuring programme and now consists of eleven people, down from 33 people at 30 June 2006. The product range on offer has also been dramatically curtailed and the pricing structure optimised. Attributing an "actually used" proportion of the existing factory to the Sugg management accounts and with the target sales output being met or exceeded, indications are that Sugg Lighting has been performing profitably for the first two months of the new financial year where a period of profitable stability would allow us to plan forward.

People

I would this time not only like to thank all our F W Thorpe Plc staff for their continued loyalty and diligence throughout the last year but also I would like to express my regret to those Sugg Lighting staff who the company has had to make redundant. I wish them fair weather.

On 4 October 2007 David Lippold tendered his resignation to the group board and to the board of Compact Lighting Ltd, the subsidiary of which he is managing director, in order to pursue personal interests. He is expected to step down from his appointments on 31 October 2007. David joined the board of Compact Lighting in September 1993 and the group board in July 1996. The board would very much like to thank David for his contributions to Compact and the group. His role of managing director of Compact is to be assumed through an internal promotion.

The future

The strength of our market depends on others having money to spend on new health centres, office buildings, schools, etc. and as long as money availability remains, then our potential market remains. Currently there appears to be a large black cloud somewhere in the vicinity called the "Sub-prime mortgage market". If this cloud goes overhead then things may get difficult but should it miss us then we have the products and the enthusiasm for another satisfactory year.

Andrew Thorpe

A B Thorpe
Chairman — 11 October 2007

Report of the directors

The Directors have pleasure in submitting their annual report and the audited consolidated financial statements of the group and the company for the year ended 30 June 2007.

Principal activity and business review

The main activity of the group continues to be the design, manufacture and supply of professional lighting equipment.

A review of the business and future developments is included in the Chairman's Statement on pages 4 and 5.

The most significant uncertainties for the business arise from fluctuations in the macro-economic cycle.

The group has financial risks and seeks to minimise and manage these by incorporating controls into key functions as part of the normal business operation.

Management reviews prices at least annually to take into account fluctuations in costs in order to minimise the risk of reduction in gross margin, or loss of market share from lack of competitiveness.

The group offers credit terms to the majority of its customers and this activity carries financial risks of default and slow payment. There is a credit policy, which includes an assessment of the risk of bad debt and management of higher risk customers. The group has underwritten a significant part of its customer debt risk with a credit insurance policy.

The group's cash is managed in accordance with the treasury policy, which is explained more fully in note 28. The group primarily trades in sterling. There is a small exposure to foreign currency as the group buys and sells in foreign currencies and maintains currency bank accounts in US Dollars and Euros. The activities of buying and selling in foreign currency are broadly matched with currencies bought and sold as required in order to minimise currency exposures. Larger exposures would be hedged in order to reduce the risk of adverse exchange rate movement.

Details of other risk management procedures are included within the internal control section of this report.

The Directors consider the main financial KPI's to be these disclosed within page 3 'Five year financial record'.

Results and dividends

The results for the year are set out in detail on page 15.

On 8 May 2007 the company paid an interim dividend of 3.25p per share (2006: 3p) amounting to £391,000 (2006: £356,000). A final dividend of 10p (2006: 9p) per ordinary share is proposed amounting to £1,190,000 (2006: £1,069,000) and, if approved, will be paid on 22 November 2007. Total dividends paid during the year amounted to £2,885,000 (2006: £1,247,000).

Directors

The Directors of the company at the date of this report are set out on page 2.

The Directors retiring by rotation are A B Thorpe and C M Brangwin who, being eligible, offer themselves for re-election. The contract for A B Thorpe is terminable on three years' notice. C M Brangwin does not have a service contract.

D M Lippold resigned on 4 October 2007.

Directors' share interests

The details of the Directors' share interests are set out in the Directors' Remuneration Report on pages 9 to 12.

Substantial shareholdings

At 11 October 2007 the company had received notification of the following interests in 3 per cent or more of the issued share capital, excluding holdings of Directors:

Rights and Issues Trust Plc	500,000 shares	(4.2 per cent)
E G Thorpe	659,640 shares	(5.5 per cent)
Discretionary Unit Fund	380,000 shares	(3.2 per cent)

Group research and development activities

The group is committed to research and development activities in order to maintain its market share in the industrial and commercial lighting market. These activities encompass constant development of both new and existing products to ensure that a leading position in the lighting market is maintained.

Fixed assets

The Directors are of the opinion that the market value of the freehold land and buildings is in excess of their net book value.

Charitable gifts

During the year the group gave £3,641 (2006: £5,157) for charitable purposes. This is made up of donations for cancer care and support of £528, children's welfare of £650, disability support of £250, educational schemes of £2,000 and gifts to local causes of £263.

Creditor payment policy

The group's policy concerning the payment of its trade creditors is to accept and follow the normal terms of payment amongst suppliers to the lighting industry. Payments are made when they fall due which is usually on the day after the end of the calendar month following the month in which delivery of goods or services is made. Where reasonable settlement discount terms are offered for early payment, these terms are usually taken up. The number of days represented by the company's and the group's year end trade creditors is 46 and 48 respectively (2006: 45 and 53).

Employee policies

Employees are kept informed of matters of concern to them as employees by publication and distribution of a company newsletter and other notices, or by specially convened meetings.

Committees representing the different groups of employees meet regularly to ensure the views of employees are taken into account in making decisions that are likely to affect their interests.

The involvement of employees in the group's performance is encouraged by various incentive schemes including a profit related bonus scheme.

Information on the financial and economic factors affecting the performance of the group is made available twice yearly at the time of publication of the interim and annual statements to shareholders.

The group is committed to developing a safe and healthy working environment for all employees consistent with the requirements of the Health and Safety at Work Act. Within the constraints of health and safety, disabled people are given full and fair consideration for job vacancies. Depending on their skills and abilities, disabled people enjoy the same career prospects as other employees, and if employees become disabled every effort is made to ensure their continued employment, with appropriate training where necessary.

Policies for recruiting employees are designed to ensure equal opportunities irrespective of colour, ethnic or national origin, nationality, sex or marital status.

Statement on the provision of information to auditors

The Directors confirm that, as far as they are aware, there is no relevant audit information of which the group's auditors are unaware, and all steps have been taken by the Directors to make themselves aware of the relevant audit information, and to establish that the auditors are aware. The above is in accordance with the provisions of section 234A of the Companies Act 1985.

Auditors

The auditors, PricewaterhouseCoopers LLP, have expressed their willingness to continue in office and a resolution for their reappointment will be proposed at the next annual general meeting.

Directors' authority to issue shares

The UK Listing Authority no longer requires the consent of shareholders to each issue by the company of equity share capital for cash made otherwise than to existing shareholders in proportion to their existing shareholdings. This relaxation is subject to the company obtaining the authority of shareholders under Section 95 of the Companies Act 1985 to disapply generally the provisions of Section 89 of that Act. Ordinary resolution number 7 and special resolution number 8 would give the Directors the authority to allot ordinary shares up to an aggregate nominal amount of £309,492, and would further empower them to allot ordinary shares for cash up to a maximum of £59,525 (representing 5% of the issued equity share capital of the company) other than pro rata to existing members as if section 89(1) of the Companies Act 1985 did not apply. These authorities, if approved, would expire at the conclusion of the next Annual General Meeting, save that the authority relating to Section 89(1) would expire 15 months after being passed, if earlier.

Purchase of own shares

Resolution 9 set out in the notice of the Annual General Meeting will, if it is approved, allow the company to exercise the authority contained in the Articles of Association to purchase its own shares. The Board has no firm intention that the company should make purchases of its own shares if the proposed authority becomes effective, but would like to be able to act quickly if circumstances arise in which such a purchase would be desirable. Purchases will only be made on the Alternative Investment Market and only in circumstances where the Directors believe that they are in the best interests of the shareholders generally. Furthermore, purchases will only be made if the Directors believe that they would result in an increase in earnings per share.

The proposed authority will be limited by the terms of the special resolution to the purchase of 1,190,507 ordinary shares representing 10% of the company's issued ordinary share capital at 11 October 2007 and a nominal value of £119,051.

The minimum price per ordinary share payable by the company (exclusive of expenses) will be 10p. The maximum to be paid will be an amount not more than 5% above the average of the middle market quotations for ordinary shares of the company as derived from the Alternative Investment Market on the five business days immediately preceding the date of each purchase. Any shares purchased by the company will be cancelled and the number of shares in issue will be reduced accordingly. The maximum number of shares and the permitted price range are stated in order to comply with statutory and Stock Exchange requirements and should not be taken as representative of the number of shares (if any) which may be purchased, or the terms of such a purchase. The authority will lapse on the date of the Annual General Meeting of the company in 2008. However, in order to maintain the Board's flexibility of action it is envisaged that it will be renewed at future Annual General Meetings.

Electronic communications

Resolution 10 set out in the notice of the Annual General Meeting will, if it is approved, allow the company to send or supply documents or other information to members by making them available on a website or by other electronic means.

Corporate governance

As a company whose shares are traded on the Alternative Investment Market of the London Stock Exchange Plc, the company is not required to comply with the Principles of Good Governance and Code of Best Practice ("The Combined Code"). However, the Board supports the standards required by the Combined Code and fully endorses the principles of openness, integrity and accountability of the Code. The Directors consider the company applies the principles of best practice with the exception of the matters listed below.

- The Board does not have an independent audit committee.
- At least half the Board does not comprise independent non-executive Directors and the Board has not appointed a senior independent Director.
- The terminable period of the service contracts for A B Thorpe and P D Mason exceeds one year.
- The pensionable salary includes benefits in kind and/or profit bonus for those Directors who are members of the defined benefit scheme.
- The Board has combined the roles of Joint Chief Executive and Chairman.

The Directors believe that the exceptions, which are more fully explained in the sections relating to the Board constitution and the Directors' remuneration report, are appropriate for the size and context of the group's business.

Board constitution

The company continues to be proprietorial in nature and the Directors act as a unitary Board and as a consequence are unable to see the benefits of splitting the Board into sub-committees and in particular of constituting audit and nomination committees, as recommended by the Code, as matters that would normally be considered by an audit or nomination committee are addressed by the full Board with the non-executive Directors present and the auditors attending as appropriate.

A remuneration committee has been established with the following people serving on it:

C M Brangwin
Non-executive Director and Chairman of the committee

I A Thorpe
Non-executive Director

Terms and conditions for the operation of this committee are in place and it meets as and when required. The committee's report is presented on pages 9 to 12.

The auditors have direct access to all members of the Board and attend and present their reports at appropriate Board meetings. The Board considers, at least annually, the relationships and fees in place with the auditors to confirm their independence is maintained.

Nomination committees are formed when it is felt to be appropriate for senior personnel and subsidiary Board appointments. Any appointment to a group Board position would involve all Board Members in the selection process.

The Board meets regularly during the year and has a schedule of matters reserved for its approval, which only the Board may change.

Relations with shareholders

Directors are kept informed of the views of shareholders by face to face contact at the company's premises on the day of the Annual General Meeting and, if appropriate, by meeting with major shareholders at other times during the year.

Internal control

The Board of Directors has overall responsibility for the system of internal control and for reviewing its effectiveness throughout the group. The internal controls systems are designed to meet the group's particular needs and the risks to which it is exposed, and by their nature can only provide reasonable but not absolute assurance against misstatement or loss.

Internal financial control

The Directors have responsibility for maintaining a system of internal control which provides reasonable assurance of the effective and efficient operations, internal financial control and compliance with laws and regulations.

During the year a member of the group finance department has visited all operating sites to assess their compliance with a selection of key control procedures and non-compliance has been reported to the group Board. Significant areas of non-compliance noted as part of this process have been addressed.

In addition, the executive Directors regularly visit all operating sites and review with local management financial and commercial issues affecting the group's operations. Regular financial reporting includes budgets, rolling forecasts and monthly financial reports comparing performance against plan. These reports are reviewed locally with a group representative and monitored by the group Board. Accordingly, the Directors do not consider that an internal audit department is required.

Other areas of control

The Combined Code introduced a requirement that Directors review the effectiveness of the group's systems of internal controls on an annual basis. This requirement extends the Directors' review to cover all controls, including operational, compliance and risk management as well as financial.

During the year and continuing after the year end, the Board has operated a formal risk identification and evaluation programme as part of a continuous review of the group's internal controls. This programme considers financial, operational and compliance risks and includes participation from senior executives from all operating subsidiaries. The results of this process to date have been utilised by the Board to focus the ongoing process for identifying, evaluating and managing the group's significant risks. The programme is utilised to monitor the potential impact of the risks identified and, where appropriate, actions are taken to ensure they are effectively controlled. This process is extended to include a detailed review of risk as assessed by local senior executives, and procedures have been established to ensure that the group Board is made aware of any additional significant risks identified and to consider appropriate action. This process culminated in the provision of a certificate, by senior executives at the operating sites, confirming that they have identified and addressed the risks arising in their business and reported them to the group Board accordingly.

Adoption of International Financial Reporting Standards

The company is required to adopt International Financial Reporting Standards for the financial year ending 30 June 2008.

Going concern

The Directors confirm that they are satisfied that the group has adequate resources to continue in business for the foreseeable future, and for this reason, they continue to adopt the going concern basis in preparing the accounts.

By order of the Board

P D Mason
Company Secretary
11 October 2007

Registered Office:
Merse Road
North Moons Moat
Redditch
Worcestershire
B98 9HH

Directors' remuneration report

FW Thorpe Plc

The Board has prepared this report to the shareholders, taking into account the provisions in Schedule B of the Combined Code on Corporate Governance and Directors' Remuneration Report Regulations 2002. The Board has delegated the responsibility for the executive Directors' remuneration to the remuneration committee. The scope of their responsibilities includes the executive Directors' service contracts, salaries and other benefits, which comprise their terms and condition of employment.

Remuneration committee

The current members of the remuneration committee are the non-executive Directors C M Brangwin (Chairman of the committee) and I A Thorpe. The committee has met as and when required during the financial year. No member of the committee has any personal financial interest in the matters to be decided other than as shareholders. There are no conflicts of interest arising from cross-Directorships or day-to-day involvement in running the business. The committee has access to market data provided by Monks Partnership when considering the remuneration of the executive Directors.

Remuneration policy — executive Directors

The aim of the committee is to ensure that the executive Directors are fairly rewarded for their responsibilities and contribution to the performance of the group. The committee seeks to achieve this with a combination of performance and non-performance related remuneration designed to attract, retain and motivate the Directors. The performance related remuneration is linked to both short-term and long-term goals.

In establishing the salaries of the Directors, the committee takes into account the responsibilities and performance of the individual together with data from comparable organisations and indicative trends for the business and its economic sector.

The remuneration package consists of the following elements.

1. Basic salary, benefits in kind and other benefits. The salary is determined in August each year, unless there has been a change in responsibilities, where an adjustment will be made at the same time. The benefits in kind mainly consist of the provision of a car and health insurance. A Director may choose to take a cash allowance instead of a car. Other benefits consist of pension arrangements and life assurance.
2. Annual bonus. The bonus is made up of two elements. The first element relates to the operating profit of the business unit for which the Director has specific performance responsibilities. The second element relates to the operating profit of the group as a whole. The bonuses are paid in September and relate to the period ending on 30 June in the same year.
3. Share options. There are currently two executive share option schemes, and options were granted to Directors on 6 May 1999 — the majority of which are provided as part of an Inland Revenue approved scheme. Both schemes allow the executives to participate in share price growth and are normally exercisable between 3 and 10 years after grant provided certain performance criteria are met.

Remuneration policy — non-executive Directors

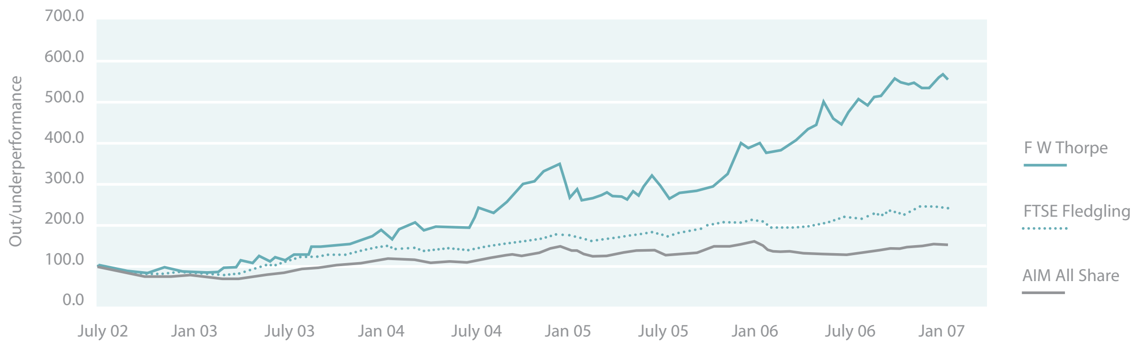
The Board as whole determines the remuneration of the non-executive Directors. The Board takes into account the contribution made and the relative time spent on the company's affairs. The non-executive Directors do not receive bonuses or participate in the executive share option scheme. Their benefits in kind consist of the provision of heath insurance.

Directors' service contracts

The policy for Directors' service contracts is to follow the Code for new appointments. However, for contracts in existence prior to the date the code became effective no amendment is expected to be made in view of the predicted service lives of the people concerned. D A Dimeloe, D M Lippold and M Allcock have service contracts terminable on one year's notice. P D Mason and A B Thorpe have service contracts renewed annually in March, which are terminable on three years' notice immediately after renewal and two years' notice one year later when the contracts are considered for renewal. These contracts do not comply with the Code because they are in excess of one year. C M Brangwin and I A Thorpe do not have service contracts with the company.

Performance graph

The graph below shows the comparative data for the FTSE AIM share index and the FTSE Fledgling share index as these are considered to be the most appropriate comparative indices for the company's business.



Directors' pension arrangements

A B Thorpe and P D Mason participated in the defined benefit section of the F W Thorpe Retirement Benefits Scheme until April 2006, and are now deferred members. M Allcock, D A Dimeloe and D M Lippold are members of the defined contribution section of the scheme. M Allcock has a final salary guarantee as he was previously a member of the defined benefit section. C M Brangwin and I A Thorpe are retired members of the defined benefit section.

The F W Thorpe Retirement Benefits Scheme is a funded, Inland Revenue approved occupational pension scheme. The scheme is divided into two sections — a defined benefit scheme and a defined contribution scheme. The defined benefit section was closed to new members on 1 October 1995. The defined benefit section aims to provide a maximum pension of two-thirds of pensionable salary at normal retirement date. Pensionable salary for P D Mason and A B Thorpe includes profit bonus and benefits calculated on the average of the previous three years. M Allcock's pensionable salary includes an average of the previous three years' profit bonus. These definitions do not comply with the Code; however, the committee believes that they are appropriate when looking at the remuneration package as a whole. Defined contribution members contribute up to 5% of basic salary and the company contributes up to 14%.

All the executive Directors are covered by life assurance benefit of 4 times pensionable salary. In addition, the defined benefit scheme members are entitled to a spouse's pension on death.

The following Directors had accrued entitlements under the defined benefit section of the pension scheme.

	Age at year end	Normal pension age	Value of accrued pension at 30 June 2007 £pa	Director's contributions during the year £	Change in value of accrued pension since 30 June 2006 £pa	Additional pension earned in excess of inflation over the year ended 30 June 2007 £pa	Transfer value of additional pension (net of inflation) less Director's contributions £	Transfer value of pension at 30 June 2007 £	Transfer value of pension at 30 June 2006 £	Increase in transfer value over the year net of Director's contributions £
A B Thorpe	57	60	105,034	—	15,024	11,783	205,967	1,573,378	1,374,795	198,583
P D Mason	58	60	91,386	—	12,875	10,049	182,447	1,425,424	1,268,800	156,624
M Allcock	39	65	25,136	5,604	4,940	4,213	15,152	90,404	54,541	30,259

The following table shows the contributions paid by the company in respect of those Directors participating in the defined contribution section of the pension scheme.

	2007 £	2006 £
D A Dimeloe	**13,109**	12,666
D M Lippold	**7,462**	7,245

Directors' shareholdings

The Directors listed below were in office throughout the whole of the year. Directors' interests in the share capital of the company at 30 June 2007 and 1 July 2006 were as follows:

	Ordinary shares of 10p Beneficial	
	2007	2006
A B Thorpe	**2,786,899**	2,786,899
P D Mason	**172,337**	171,978
M Allcock	**15,200**	18,900
D A Dimeloe	**21,800**	16,100
D M Lippold	**14,141**	11,900
C M Brangwin	**773,155**	773,155
I A Thorpe	**2,504,712**	2,504,712

In addition, C M Brangwin has a joint non-beneficial interest in 170,000 shares.
P D Mason sold 4,000 shares on 28 September 2006.
M Allcock sold 3,700 shares on 2 October 2006.
D M Lippold sold 1,900 shares on 5 October 2006.
D A Dimeloe sold 1,000 shares on 4 October 2007 and 1,959 shares on 9 October 2007.

Directors' share options

Details of the share options at 30 June 2007 are as follows:

	30 June 2006	Exercised during year	Lapsed during year	**At 30 June 2007**	Option price	Date Exercisable from
A B Thorpe	30,000	—	—	**30,000**	117p	7 May 2002
P D Mason	4,359	4,359	—	**—**	117p	7 May 2002
D A Dimeloe	15,000	7,500	—	**7,500**	117p	7 May 2002
D M Lippold	10,000	5,641	—	**4,359**	117p	7 May 2002

The performance criteria for the exercise of the executive share options require that the growth in the annualised earnings per share, adjusted to a pre-tax basis, must exceed RPI by more than 3% when measured against a basis year. These criteria have been met.

Directors' remuneration report (continued)

Share options were exercised by the Directors as follows:

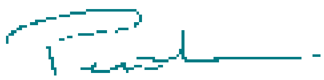
Director	Date of exercise	Number of shares	Option price (pence per share)	Market price (pence per share)	Gain (£)
P D Mason	27 September 2006	4,359	117p	597.5p	20,945
D A Dimeloe	27 September 2006	7,500	117p	597.5p	36,037
D M Lippold	27 September 2006	5,641	117p	597.5p	27,105

On 4 October 2007 D A Dimeloe exercised 7,500 shares at the option price of 117 pence each. The market price on that day was 560 pence per share.

The market price of the company's shares at the beginning and end of the financial year was 455p and 627.5p respectively and the range of market prices during the year was from 446p to 665p.

There have been no other changes in the interests of the Directors in the share capital of any company in the group during the period 1 July 2006 to 11 October 2007.

Approved by the Board and signed on its behalf by:



P D Mason
Company Secretary
11 October 2007

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

FW THORPE PLC

The Directors are responsible for preparing the Annual Report and 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 group and of the profit or loss of the company and group 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group and to 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board

P D Mason
Company Secretary
11 October 2007

Independent auditors' report to the members of F W Thorpe Plc

We have audited the group and parent company financial statements (the "financial statements") of F W Thorpe Plc for the year ended 30 June 2007, which comprise the consolidated profit and loss account, the group and company balance sheets, the consolidated cash flow statement, the statement of group total recognised gains and losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the Annual Report and 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). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report, the Chairman's Statement, the five year financial record and the Directors' Remuneration Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 group's and 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 group's and the parent company's affairs as at 30 June 2007 and of the group's profit and cash flows 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.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham
11 October 2007

Consolidated profit and loss account

for the year ended 30 June 2007

	Notes	2007 £'000	2006 £'000
Turnover	2	**46,508**	44,204
Cost of sales		**(26,565)**	(25,681)
Gross profit		**19,943**	18,523
Net operating expenses	3	**(11,813)**	(11,251)
Exceptional items — operating expenses	3	**91**	(395)
Total operating expenses	3	**(11,722)**	(11,646)
Operating profit	4	**8,221**	6,877
Interest receivable and similar income	7	**833**	543
Profit on ordinary activities before taxation		**9,054**	7,420
Tax on profit on ordinary activities	8	**(2,168)**	(2,224)
Profit for the financial year	20	**6,886**	5,196
Earnings per share expressed in pence per share			
— basic	10	**57.9p**	43.8p
— diluted	10	**57.7p**	43.5p

All of the above results were from continuing operations.

There is no difference between the result as disclosed in the profit and loss account and the result on a historical cost basis.

Statement of group total recognised gains and losses

for the year ended 30 June 2007

	Notes	2007 £'000	2006 £'000
Profit for the financial year	20	**6,886**	5,196
Actuarial gain recognised in the pension scheme	24	**446**	1,414
Movement on associated deferred tax asset relating to the pension scheme		**(202)**	(424)
Total recognised gains for the year		**7,130**	6,186

The notes on pages 18 to 32 form part of these accounts.

The report of the auditors is on page 14.

Group and company balance sheets

as at 30 June 2007

	Notes	Group 2007 £'000	Group 2006 £'000	Company 2007 £'000	Company 2006 £'000
Fixed assets					
Tangible assets	12	**10,114**	9,907	**8,925**	8,793
Investments	13	**258**	258	**861**	861
		10,372	10,165	**9,786**	9,654
Current assets					
Stocks	14	**8,562**	7,005	**5,857**	4,746
Debtors	15	**9,663**	10,075	**6,401**	6,280
Investments	16	**70**	70	**70**	70
Cash at bank and in hand		**12,581**	11,848	**12,805**	11,844
		30,876	28,998	**25,133**	22,940
Creditors: amounts falling due within one year	17	**(6,989)**	(6,851)	**(5,672)**	(4,536)
Net current assets		**23,887**	22,147	**19,461**	18,404
Total assets less current liabilities		**34,259**	32,312	**29,247**	28,058
Provisions for liabilities					
Provisions	18a	**(433)**	(471)	**(94)**	—
Deferred taxation	18b	**(92)**	(412)	**(130)**	(405)
Net assets excluding pension surplus/(deficit)		**33,734**	31,429	**29,023**	27,653
Pension surplus/(deficit)	24	**634**	(1,329)	**634**	(1,329)
Net assets including pension scheme surplus/(deficit)		**34,368**	30,100	**29,657**	26,324
Capital and reserves					
Called up share capital	19	**1,190**	1,188	**1,190**	1,188
Capital redemption reserve	20	**135**	135	**135**	135
Share premium account	20	**607**	586	**607**	586
Profit and loss account	20	**32,436**	28,191	**27,725**	24,415
Total shareholders' funds	26	**34,368**	30,100	**29,657**	26,324

These accounts were approved by the Board on 11 October 2007.

A B Thorpe
P D Mason
Directors

The notes on pages 18 to 32 form part of these accounts.

The report of the auditors is on page 14.

Consolidated cash flow statement

for the year ended 30 June 2007

	Notes	2007 £'000	2006 £'000
Net cash inflow from operating activities	21(a)	**6,237**	7,134
Returns on investments and servicing of finance			
Interest received		**624**	545
Other investment income	7	**61**	52
Net cash inflow for returns on investment and servicing of finance		**685**	597
Taxation			
UK corporation tax paid		**(2,075)**	(1,338)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		**(1,340)**	(1,828)
Sale of tangible fixed assets		**88**	71
Net cash outflow for capital expenditure and financial investments		**(1,252)**	(1,757)
Equity dividends paid	9	**(2,885)**	(1,247)
Cash inflow before financing		**710**	3,389
Financing			
Issue of shares	26	**23**	45
Cash inflow from financing		**23**	45
Increase in net cash	21(b)	**733**	3,434

Notes to the financial statements
for the year ended 30 June 2007

1 Accounting policies

Basis of accounting
These consolidated financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the Companies Act 1985. A summary of the more important accounting policies, which have been consistently applied, except where noted, are set out below. The financial statements have been prepared under the historical cost convention on a going concern basis.

Basis of consolidation
The consolidated accounts include the accounts of the company and its subsidiaries, which are prepared to 30 June. The results of the entities acquired are included in the consolidated profit and loss account from the date of acquisition.

Property, plant and equipment
Land and buildings, plant, equipment, furniture and fittings are stated at historical cost less depreciation.

Depreciation is calculated on the straight-line method to write off the cost of each asset to their residual values over their estimated useful life as follows:

Freehold land	Nil
Freehold buildings	25–50 years
Plant, equipment, fixtures and fittings	2–15 years

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profit.

Leases
Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Investment property
Investment properties are stated at directors' valuation. Depreciation is not provided on investment properties. The requirement of the Companies Act 1985 is to depreciate all fixed assets, but this conflicts with the generally accepted principle set out in SSAP 19. These properties are held for investment rather than consumption and the Directors consider that systematic depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view.

Other investments
Shares in subsidiaries and listed investments are stated at cost less any provision for impairment.

Goodwill and impairment
Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net assets of the acquired subsidiary undertaking at the date of acquisition. In accordance with Financial Reporting Standard 10 (FRS 10), goodwill arising from acquisitions after 1 July 1998 is amortised over its useful economic life, up to a maximum of 20 years.

Where an indication of impairment exists, the carrying amount of any goodwill is assessed and written down immediately to its recoverable amount. To the extent that any further impairment is required, provision is made for any onerous leases.

Stocks
Stocks are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads, based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. Provision is made against the cost of slow-moving stock lines based on the estimated recoverable amounts.

Debtors
Trade debtors are carried at original invoice amount adjusted for currency conversion where required, less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

Cash and cash equivalents
For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held at call with banks.

Interest and investment income
Interest and investment income are accounted for on an accruals basis.

Deferred taxes
Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred income tax. Balances are not discounted. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Provisions
Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Warranty
The group recognises the estimated liability to repair or replace products still under warranty at the balance sheet date. This provision is calculated based on past history of the level of repairs and replacements.

Revenue recognition
Sales are recognised upon delivery of products. Sales are shown net of value added tax and discounts, and after eliminating sales within the group.

Pension obligations
The group operates a defined benefit and defined contribution pension scheme. The assets of the scheme are invested and managed independently of the finances of the group. Pension costs are assessed in accordance with the advice of an independent qualified actuary. Costs include the regular cost of providing benefits which it is intended should remain a substantially level percentage of current and expected future earnings of the employees covered. Variations from the regular pensions cost are spread evenly through the profit and loss account over the remaining service lives of current employees. Contributions made to the defined contribution scheme are charged to the profit and loss account in the period in which they are made.

Additional disclosures relating to the pension fund surplus/deficit are given in note 24 in accordance with the requirements of FRS 17.

Foreign currency translation
Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions; gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Research and development
Research and development expenditure is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Policy on derivatives and financial instruments
The group does not hold any derivatives other than exchange swaps. Where they are used to hedge currency movements they are not valued in the balance sheet. If foreign currency debtors and creditors exist at the year end which have been hedged in this way the contracts and swap values are considered in valuing these items.

Financial instruments are valued at historical cost.

Fixed asset impairments
Fixed assets are assessed for any indications of impairment annually. If any indication of impairment is identified, an impairment test is performed. Impairment tests are undertaken by estimating the value in use of the asset.

Notes to the financial statements
for the year ended 30 June 2007

2 Analysis of turnover

The turnover attributable to each of the group's geographical markets is:

	2007 £'000	2006 £'000
United Kingdom	**39,203**	38,078
Other European countries	**5,112**	3,874
Africa	**54**	169
North and South America	**183**	140
Middle East	**1,452**	1,431
India, Australia and Far East	**504**	512
	46,508	44,204

All turnover, profit before taxation and net assets originate in the United Kingdom.

The business of the parent company and its subsidiaries all relate to one segment, being designers, manufacturers and suppliers of professional lighting systems.

3 Net operating expenses

	2007 £'000	2006 £'000
Distribution costs	**3,006**	2,821
Administrative expenses	**8,807**	8,430
Exceptional administrative items — Sugg	**(91)**	395
	11,722	11,646

Due to the trading difficulties experienced at Sugg Lighting Ltd, management has continued to review the business, and this has resulted in exceptional items as follows:

	2007 £'000	2006 £'000
Onerous lease provision	**140**	(271)
Stock provision	**(5)**	(12)
Fixed asset impairment	**(6)**	(112)
Redundancy costs	**(38)**	—
Total	**91**	(395)

4 Operating profit

Operating profit is stated after charging/(crediting):

	2007 £'000	2006 £'000
Depreciation of tangible assets — owned assets	**1,101**	1,104
Impairment of Sugg fixed assets	**6**	112
Auditors' remuneration (company £31,000; 2006: £33,000)	**55**	55
Leasehold land and buildings — operating leases	**171**	176
Hire of plant and machinery	**44**	42
Research and development	**1,283**	846
Profit on sale of fixed assets	**(62)**	(31)
Rental income from investment property	**(4)**	(4)

Remuneration of the group's auditors for provision of non-audit services to the company and its subsidiaries was:

	2007 £'000	2006 £'000
Tax compliance	**8**	6
Other services	**3**	9
	11	15

5 Directors' emoluments

	2007 £'000	2006 £'000
Aggregate emoluments	**1,027**	928
Contributions to Money Purchase pension scheme	**20**	20
	1,047	948

Aggregate gains on the exercise of share options in the year were £84,000 (2006: £47,000).

Highest paid Director

The above amounts for remuneration include the following in respect of the highest paid Director:

	2007 £'000	2006 £'000
Total of emoluments and amounts receivable under long-term incentive schemes	**241**	230

During the year the highest paid Director exercised nil share options (2006: nil).

Further details are provided in the Directors' Remuneration Report on pages 9 to 12.

6 Employee information

The average number of employees employed by the group (including executive Directors) during the year is analysed below:

	2007 Group £'000	2006 Group £'000	2007 Company £'000	2006 Company £'000
Production	291	297	140	139
Selling and distribution	86	84	73	74
Administration	159	143	84	82
	536	524	297	295

Employment costs of all employees (including executive Directors):

	2007 Group £'000	2006 Group £'000	2007 Company £'000	2006 Company £'000
Aggregate gross wages and salaries	11,710	11,041	7,068	6,767
Employers' national insurance contributions	1,164	1,099	755	707
Employers' pension and related charges	668	797	464	638
Total direct costs of employment	13,542	12,937	8,287	8,112

7 Net interest and similar income

	2007 £'000	2006 £'000
Interest receivable		
Interest from current asset investments	687	545
Income from fixed asset investments	61	52
	748	597
Other financial income		
Interest on net pension scheme assets	85	—
Net interest and income receivable	833	597
Interest payable		
Interest on net pension scheme liabilities	—	(54)
Net interest and similar income	833	543

Income from investments includes £6,000 (2006: £6,000) from listed investments.

8 Taxation on profit on ordinary activities

	2007 £'000	2006 £'000
Current tax:		
UK corporation tax at 30% (2006: 30%) on profits for the period	1,921	1,892
Adjustment in respect of previous periods	(48)	9
Total current tax	1,873	1,901
Deferred tax:		
Origination and reversal of timing differences	(320)	(111)
Adjustment in respect of previous periods	—	15
Deferred tax excluding deferred tax on pension surplus/deficit	(320)	(96)
Deferred tax on pension surplus/deficit	615	419
Net deferred tax liability	295	323
Taxation on profit on ordinary activities	2,168	2,224

The tax assessed for the year is lower (2006: lower) than the standard rate of Corporation Tax in the UK (30%). The differences are explained below:

	2007 £'000	2006 £'000
Profit on ordinary activities	9,054	7,420
Profit on ordinary activities multiplied by the standard rate in the UK 30% (2006: 30%)	2,716	2,226
Effects of:		
Expenses not deductible for tax purposes	(23)	241
Pension cost relief in excess of pension charge	(700)	(419)
Accelerated tax allowances and other timing differences	(61)	(143)
Profits taxed at small companies rate	(11)	(13)
Adjustments to tax charge in respect to previous period	(48)	9
Current tax charge	1,873	1,901

The rate of Corporation Tax announced in the Budget 2007 is due to change from 30% to 28% with effect from 1 April 2008. This rate has been used in the deferred tax calculations.

9 Profit for the year and dividends

Profit for the year

As permitted by Section 230 of the Companies Act 1985, the holding company has not published a separate profit and loss account. The group profit for the year after taxation of £6,886,000 (2006: £5,196,000) includes a profit of £5,951,000 (2006: £4,414,000) in respect of the parent company.

	2007	2006
Dividends paid (per share)		
Final dividend 2006	9.00p	7.50p
Special dividend 2006	12.00p	—
Interim dividend 2007	3.25p	3.00p
Total	24.25p	10.50p

	2007 £'000	2006 £'000
Dividends paid		
Final dividend 2006	1,069	891
Special dividend 2006	1,425	—
Interim dividend 2007	391	356
Total	2,885	1,247

A final dividend of 10p (2006: 9p) per share and a special dividend of nil (2006: 12p) per share is proposed and, if approved, will be paid on 22 November 2007.

	2007 £'000	2006 £'000
Dividends proposed		
Final dividend of 10p per share (2006: final dividend of 9p and special dividend of 12p per share)	1,190	2,494

10 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of £6,886,000 (2006: £5,196,000) by the weighted average number of basic shares in issue during the year of 11,892,834 (2006: 11,896,244).

For diluted earnings per share, the weighted average number of basic shares in issue is adjusted to assume conversion of all dilutive potential basic shares. The weighted average number of basic shares is calculated at 11,926,194 (2006: 11,943,559).

11 Intangible assets

Group	Goodwill £'000
Cost	
At 1 July 2006 and 30 June 2007	600
Aggregate amortisation	
At 1 July 2006 and 30 June 2007	600
Net book value at 1 July 2006 and 30 June 2007	—

The goodwill arising on the acquisition of Sugg Lighting Limited was impaired in 2002.

Goodwill of £577,000 arising on the acquisition of subsidiaries before 1 July 1999, had been written off to reserves in prior years.

12 Tangible assets

	Group			Company		
	Freehold land and buildings £'000	Plant and equipment £'000	Total £'000	Freehold land and buildings £'000	Plant and equipment £'000	Total £'000
Cost						
At 1 July 2006	8,187	12,298	20,485	8,039	8,227	16,266
Additions	144	1,196	1,340	144	679	823
Disposals	—	(338)	(338)	—	(144)	(144)
Written off	(43)	—	(43)	—	—	—
At 30 June 2007	**8,288**	**13,156**	**21,444**	**8,183**	**8,762**	**16,945**
Accumulated depreciation						
At 1 July 2006	1,409	9,169	10,578	1,264	6,209	7,473
Charge for the year	140	961	1,101	137	539	676
Impairment at Sugg (note 3)	—	6	6	—	—	—
Disposals	—	(312)	(312)	—	(129)	(129)
Written off	(43)	—	(43)	—	—	—
At 30 June 2007	**1,506**	**9,824**	**11,330**	**1,401**	**6,619**	**8,020**
Net book value						
At 30 June 2007	**6,782**	**3,332**	**10,114**	**6,782**	**2,143**	**8,925**
At 30 June 2006	6,778	3,129	9,907	6,775	2,018	8,793

Depreciation has not been charged on freehold land that is stated at its cost of £1,218,000 (2006: £1,218,000).

13 Fixed asset investments

	Group			Company			
	Investment property £'000	Listed on the Stock Exchange £'000	Total £'000	Investment property £'000	Listed on the Stock Exchange £'000	Investments in subsidiaries £'000	Total £'000
At 1 July 2006 and 30 June 2007	219	39	258	219	39	2,173	2,431
Provisions for diminution in value							
At 1 July 2006 and 30 June 2007	—	—	—	—	—	1,570	1,570
Net book value							
At 30 June 2006 and 30 June 2007	**219**	**39**	**258**	**219**	**39**	**603**	**861**

The aggregate market value of the investments listed on the London Stock Exchange as at 30 June 2007 was £103,000 (2006: £98,000).

Details of the investments in subsidiaries are set out in note 25.

The investment property carrying value is based on a Director's valuation.

14 Stocks

	Group		Company	
	2007	2006	**2007**	2006
	£'000	£'000	**£'000**	£'000
Raw materials, components and consumables	**3,606**	2,983	**2,002**	1,430
Work in progress	**1,508**	1,210	**1,179**	908
Finished goods	**3,448**	2,812	**2,676**	2,408
	8,562	7,005	**5,857**	4,746

15 Debtors

	Group		Company	
	2006	2005	**2006**	2005
	£'000	£'000	**£'000**	£'000
Trade debtors	**9,006**	9,643	**5,973**	6,077
Other debtors	**209**	55	**209**	55
Prepayments and accrued income	**448**	377	**219**	148
	9,663	10,075	**6,401**	6,280

16 Current asset investments

	Group and company	
	2007	2006
	Cost	Cost
	£'000	£'000
Units in cash fund — aggregate market value £359,000 (2006: £344,000)	**70**	70
	70	70

Current asset investments are carried at their historical cost.

17 Creditors: amounts falling due within one year

	Group		Company	
	2007	2006	**2007**	2006
	£'000	£'000	**£'000**	£'000
Trade creditors	**3,941**	3,787	**2,276**	1,669
Corporation tax	**825**	1,027	**540**	1,013
Other taxation and social security	**729**	709	**514**	467
Other creditors	**948**	742	**918**	732
Accruals and deferred income	**546**	586	**128**	219
Owed to subsidiary undertakings	**—**	—	**1,296**	436
	6,989	6,851	**5,672**	4,536

Amounts owed to subsidiary undertakings are unsecured and have no fixed date for repayment. Part of the balance owed consists of moneys placed with the central treasury function and interest is earned or charged on those balances. The remaining balance is not interest bearing.

18 Provisions and deferred taxation

(a) Provisions

	Group		Company	
	2007 £'000	2006 £'000	**2007 £'000**	2006 £'000
Onerous lease provision	**331**	471	**—**	—
WEEE provision	**102**	—	**94**	—
	433	471	**94**	—

	Group		Company	
	2007 £'000	2006 £'000	**2007 £'000**	2006 £'000
Movement in the provision				
At 1 July 2006	**412**	509	**405**	579
Credited to the profit and loss account	**(320)**	(97)	**(275)**	(174)
At 30 June 2007	**92**	412	**130**	405
Deferred tax liability/(asset) on pension	**247**	(570)	**247**	(570)
Total deferred tax	**339**	(158)	**377**	(165)

This provision relates to the remaining rental and related costs for the lease of the premises occupied by Sugg Lighting Ltd. The lease expires in April 2009.

The provisions are analysed as follows:

	Group		Company	
WEEE Provision	**2007 £'000**	2006 £'000	**2007 £'000**	2006 £'000
At 1 July 2006	**—**	—	**—**	—
Charged in the year	**102**	—	**94**	—
At 30 June 2007	**102**	—	**94**	—

In August 2005, the European Union adopted Waste Electrical and Electronics Equipment (WEEE) Legislation which was subsequently phased in locally to its member countries. WEEE provides, amongst other things, that the producers of certain electrical and electronic products are responsible for financing WEEE waste if they participate in the market where recycling costs occur.

The Legislation became effective in the UK on 1 July 2007. Under UK law, companies had to register with an approved body and all group companies have been registered in accordance with the UK legislation.

In order to limit the costs and risks which are passed on to customers through increased selling prices, the group has decided not to charge a WEEE levy at the time of purchase of relevant products. To expect customers to pay, at a time the products are purchased and perhaps as much as 30 years ahead of disposal, is in the group's opinion neither fair nor practical and therefore companies within the group have followed Regulation 9 of the Legislation and amended terms and conditions of sale to allow the customer to pay directly the actual costs of WEEE at the time of disposal.

A potential liability exists for the future cost of disposal of all relevant products sold in the UK during the transitional period which ended 30 June 2007 and a provision for these future costs has been made in the accounts.

18 Provisions and deferred taxation

(b) Deferred taxation provided in the financial statements is as follows:

	Group		Company	
	2007 £'000	2006 £'000	**2007 £'000**	2006 £'000
Tax effect of timing differences				
Capital allowances	**92**	581	**130**	552
Other	**—**	(169)	**—**	(147)
	92	412	**130**	405

There is no difference between the full potential liability for deferred taxation and the provision made in the financial statements.

	Group		Company	
	2007 £'000	2006 £'000	**2007 £'000**	2006 £'000
Movement in the provision				
At 1 July 2006	**412**	509	**405**	579
Credited to the profit and loss account	**(320)**	(97)	**(275)**	(174)
At 30 June 2007	**92**	412	**130**	405

19 Share capital

	Group and company	
	2007 £'000	2006 £'000
Ordinary shares of 10p per share		
Authorised (15,000,000 shares)	**1,500**	1,500
Allotted and fully paid		
At 1 July 2006	**1,188**	1,184
Shares issued	**2**	4
At 30 June 2007 11,897,576 shares (2006: 11,878,076 shares)	**1,190**	1,188

During the year options were exercised for 19,500 ordinary shares with a nominal value of 10 pence per share and a consideration of 117 pence per share.

Options that have been granted for 10p ordinary shares remaining outstanding at 30 June 2007 are as follows:

Number of shares	Subscription price per share	Period of option
45,983	117p	7 May 2002 to 6 May 2009

Details of the Directors' share options are given in the Directors' Report.

20 Profit and loss reserves

	Group			Company		
	Share premium account £'000	Capital Redemption Reserve £'000	Profit and Loss £'000	Share premium account £'000	Capital Redemption Reserve £'000	Profit and Loss £'000
At 1 July 2006	586	135	28,191	586	135	24,415
Shares issued	21	—	—	21	—	—
Net actuarial gain/(loss) on pension scheme	—	—	244	—	—	244
Profit for the year after taxation	—	—	6,886	—	—	5,951
Dividends paid	—	—	(2,885)	—	—	(2,885)
At 30 June 2007	**607**	**135**	**32,436**	**607**	**135**	**27,725**

21 Notes to the cash flow statement

(a) Reconciliation of operating profit to net cash inflow from operating activities

	2007 £'000	2006 £'000
Operating profit	**8,221**	6,877
Depreciation and impairment	**1,107**	1,216
Profit on sale of fixed assets and fixed asset investments	**(62)**	(31)
Pension scheme contributions in excess of current and past service charge	**(2,249)**	(1,450)
(Increase)/decrease in stocks	**(1,557)**	262
(Increase)/decrease in debtors	**475**	(130)
Increase in creditors	**302**	390
Net cash inflow from operating activities	**6,237**	7,134

(b) Reconciliation of net funds

	1 July 2006 £'000	Cash flow £'000	**30 June 2007 £'000**
Cash at bank and in hand	11,848	733	**12,581**

(c) Reconciliation of net cash flow to movement in net funds

	2007 £'000	2006 £'000
(Decrease)/increase in net cash	**733**	3,434
Net funds at 1 July 2006	**11,848**	8,414
Net funds at 30 June 2007	**12,581**	11,848

22 Capital commitments

Commitments for future capital expenditure at 30 June 2007 were as follows:

	Group		Company	
	2007 £'000	2006 £'000	**2007 £'000**	2006 £'000
Authorised and contracted for	**90**	190	**55**	130

23 Operating leases

Annual commitments on operating leases, which all relate to land and buildings, expire:

	Group		Company	
	2007 £'000	2006 £'000	**2007 £'000**	2006 £'000
Less than one year	**—**	8	**—**	—
One to five years	**163**	163	**8**	8
	163	171	**8**	8

24 Pension scheme

The group operates a funded combined Defined Benefits/Defined Contribution scheme for employees in the UK. Entrants who joined after 1 October 1995 join a Defined Contribution section. The scheme is approved by the Inland Revenue under Chapter 1 Part XIV of the Income and Corporation Taxes Act 1988. Membership is contracted in to the second state pension.

The assets of the Scheme are held separately from the assets of the group, being invested in Managed Funds. Contributions by the group to the Scheme during the year ended 30 June 2007 amounted to £2,700,000 (2006: £2,184,000) which included a lump sum payment of £2,000,000, (2006: £1,450,000). Contributions are determined by an independent qualified actuary on the basis of triennial valuations using the Projected Unit Method.

The date of the most recent actuarial valuation was 1 July 2006. The value of the fund at 30 June 2006 was £13,716,000 and this was sufficient to cover 88% of the value of the benefits accrued to members after allowing for future increases in earnings. In arriving at the actuarial valuation, the following assumptions were adopted.

Price inflation	3.10%
Salary increases	4.97%
Discount rate	5.30%
Revaluation for deferred pensioners	3.10%
Pension increases in payment of 5% pa or RPI if less	3.00%
Pension increases in payment of 2.5% pa or RPI if less	2.20%

The figures at 1 July 2006 have been updated in order to assess the additional disclosures required under FRS 17 as at 30 June 2007 by an independent qualified actuary using the following major assumptions:

	30 June 2007	30 June 2006	30 June 2005
Price inflation	**3.30%**	3.10%	2.70%
Salary increases	**5.21%**	4.97%	4.57%
Discount rate	**5.80%**	5.30%	5.00%
Revaluation for deferred pensioners	**3.30%**	3.10%	2.70%
Pension increases in payment of 5% pa or RPI if less	**3.15%**	3.00%	2.70%
Pension increases in payment of 2.5% pa or RPI if less	**2.25%**	2.20%	2.00%

24 Pension scheme *(continued)*

On this basis, the illustrative balance sheet figures required under FRS 17 are as follows:

	30 June 2007		30 June 2006		30 June 2005	
	Expected long-term rate of return	**Value £'000**	Expected long-term rate of return	Value £'000	Expected long-term rate of return	Value £'000
Equities	**7.75%**	**9,471**	7.80%	7,976	7.25%	6,451
Bonds	**4.75%**	**4,198**	5.00%	3,921	4.60%	1,917
Property	**7.45%**	**11**	7.50%	9	7.00%	5
Other	**5.25%**	**4,104**	4.25%	1,810	4.50%	1,770
Total market value of assets		**17,784**		13,716		10,143
Present value of scheme liabilities		**(16,903)**		(15,615)		(14,852)
Surplus/(deficit) in the scheme		**881**		(1,899)		(4,709)
Related deferred tax asset/(liability)		**(247)**		570		1,413
Net pension surplus/(deficit)		**634**		(1,329)		(3,293)

Movement in deficit during the year

	30 June 2007 £'000	30 June 2006 £'000
Deficit in scheme at beginning of the year	**(1,899)**	(4,709)
Current service cost	**(451)**	(556)
Contributions	**2,700**	2,184
Past service costs	**—**	(178)
Other finance income	**85**	(54)
Actuarial gain on pension scheme	**446**	1,414
Surplus/(deficit) in scheme at end of year	**881**	(1,899)
Related deferred tax asset/(liability)	**(247)**	570
Net pension surplus/(deficit)	**634**	(1,329)

Analysis of amount charged to operating profit

	30 June 2007 £'000	30 June 2006 £'000
Current service cost	**451**	556
Past service cost	**—**	178
	451	734

The current service cost for final salary guarantee members is expected to rise from year to year as the final salary section is closed to new entrants.

Analysis of amount credited to other financial income

	30 June 2007 £'000	30 June 2006 £'000
Expected return on pension scheme assets	**922**	704
Interest on pension scheme liabilities	**(837)**	(758)
Net return	**85**	(54)

24 Pension scheme *(continued)*

Analysis of amount recognised in the statement of group total recognised gains and losses (STRGL)

	30 June 2007 £'000	30 June 2006 £'000
Actual return less expected return on pension scheme assets	556	661
Experience losses arising on the scheme liabilities	(622)	(164)
Changes in assumptions underlying the present value on the scheme liabilities	512	917
Actuarial gain/(loss) recognised in the STRGL	446	1,414

History of experience gains and losses recognised in the STRGL

	30 June 2007 £'000	30 June 2007 %	30 June 2006 £'000	30 June 2006 %	30 June 2005 £'000	30 June 2005 %	30 June 2004 £'000	30 June 2004 %	30 June 2003 £'000	30 June 2003 %
Difference between the expected and actual return on scheme assets	556		661		680		65		(408)	
Percentage of scheme assets		3%		5%		7%		1%		7%
Experience gain/(loss) on scheme liabilities	(622)		(164)		(1,070)		495		—	
Percentage of the present value of scheme liabilities		4%		1%		7%		4%		—
Changes in assumptions underlying the present value of the scheme liabilities	512		917		(1,601)		(238)		(1,018)	
Percentage of the present value of scheme liabilities		3%		6%		11%		2%		10%
Amount which has been recognised in the STRGL	446		1,414		(1,991)		322		(1,426)	
Percentage of the present value of the scheme liabilities		3%		9%		13%		3%		14%

25 Interests in group undertakings

Name of undertaking	Country of incorporation	Description of shares held	Proportion of nominal value of issued shares held by group and company
Mackwell Electronics Limited	England	Ordinary £1 shares	100%
Compact Lighting Limited	England	Ordinary £1 shares	100%
Philip Payne Limited	England	Ordinary £1 shares	100%
Sugg Lighting Limited	England	Ordinary £1 shares	100%
Axis Lighting Limited	England	Ordinary £1 shares	100%

All of the above companies operated in their country of incorporation and registration, except for Axis Lighting Limited.

The principal activities of these subsidiaries are:

Mackwell Electronics Limited	— design and manufacture of lighting components
Compact Lighting Limited	— design and manufacture of lighting solutions for retail applications
Philip Payne Limited	— design and manufacture of illuminated signs
Sugg Lighting Limited	— design and manufacture of traditional architectural lighting.
Axis Lighting Limited	— non-trading

26 Reconciliation of movements in total shareholders' funds

	Note	Group Year ended 30 June 2007 £'000	Group Year ended 30 June 2006 £'000	Company Year ended 30 June 2007 £'000	Company Year ended 30 June 2006 £'000
Profit for the financial year		**6,886**	5,196	**5,951**	4,414
Net actuarial gain/(loss) on pension scheme		**244**	990	**244**	990
Dividends		**(2,885)**	(1,247)	**(2,885)**	(1,247)
Net increase in total shareholders' funds		**4,245**	4,939	**3,310**	4,157
Issue of shares		**23**	45	**23**	45
Opening total shareholders' funds	1	**30,100**	25,116	**26,324**	22,122
Closing total shareholders' funds		**34,368**	30,100	**29,657**	26,324

27 Related party transactions and balances

The company has taken advantage of the exemption allowed by FRS 8 not to disclose transactions and balances with related company undertakings, 90% or more of whose voting rights are controlled within the group.

D A Dimeloe is also a director of Lighting Industry Federation Ltd, a company limited by guarantee whose aims are committed to raising standards for safety, performance and quality within the lighting industry. D A Dimeloe does not receive a salary, benefits or expenses from Lighting Industry Federation Ltd. The trading companies within the group are members of the Lighting Industry Federation and pay a subscription for membership on the same terms as other lighting organisations. The subscription paid by the group amounted to £20,355 in 2007.

28 Financial instruments

The group has a policy of maintaining cash resources arising from its operations by balancing the day-to-day cash requirements with those resources and by not undertaking any long-term borrowings. This policy enables the group to fund its future operations. To assist with this, the group has a system of overall group treasury management, coupled with individual banking arrangements held by each of the group's subsidiaries. The group also has a small overdraft facility on its current account to ensure that cash is available in the current account in the event that an unforeseen requirement arises. The group has a policy not to trade derivatives, and this has been observed throughout the period.

The group's financial instruments comprise cash and liquid resources, small amounts of listed investments, and various other items such as trade debtors, trade creditors that arise directly from its operations. The main purpose of these financial instruments is to manage the cash available for the group's operations. The group has occasionally used forward foreign exchange contracts in order to hedge currency movements when customers pay in or suppliers require foreign currency. The value of these contracts has not been significant.

The group treasury function reviews the cash holding of the group as a whole on a daily basis and considers the future cash requirements in both £ Sterling and foreign currency. Based on this assessment, cash will be placed on short-term deposit or kept available to meet day-to-day requirements throughout the group.

The policies for managing foreign currency risk are highlighted above. At 30 June 2007, after taking account of the effects of foreign exchange contracts held, the group had no significant currency exposures.

In the financial instruments disclosures made in the accounts, the group has taken advantage of the exemption conferred by FRS 13 to exclude short-term debtors and creditors.

Financial assets

The group has no financial assets, other than cash and bank and in hand.

Financial liabilities

The group does not use finance leases to manage risk.

The group holds currency bank accounts, which are used for receipts from customers and payments to suppliers. The group occasionally uses forward currency swap arrangements to manage obligations on a short-term basis. The group had no forward currency swap arrangements at the year end because the currency available in those bank accounts broadly matched currency obligations at that time (2006: £nil). The related average data has not been produced because there were no contracts in place at the time.

Notice of meeting

Notice is hereby given that the seventy-first Annual General Meeting of F W Thorpe Plc will be held at Merse Road, North Moons Moat, Redditch, Worcestershire, B98 9HH on 15 November 2007 at 3.15 pm to transact the following business:

Ordinary business

1. To receive and adopt the Directors' Report and Accounts for the year ended 30 June 2007.

2. To declare a dividend.

3. To re-elect Mr A B Thorpe as a Director.

4. To re-elect Mr C M Brangwin as a Director.

5. To reappoint PricewaterhouseCoopers LLP as auditors of the company, to hold office until the conclusion of the next General Meeting at which accounts are laid before the company and to authorise the Directors to fix the auditors' remuneration.

Special business

To consider and, if thought fit, to pass the following resolutions which will be proposed in the case of 6 and 7 as ordinary resolutions and in the case of 8, 9 and 10 as special resolutions.

6. That the Directors' Remuneration Report (as set out on pages 9 to 13 of the Annual Report and Accounts) for the year ended 30 June 2007 be approved.

7. That the authority to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985) conferred on the Directors by Article 15 of the Articles of Association of the company be and hereby is renewed for the period ending at the conclusion of the Annual General Meeting of the company to be held in 2008 and that for such period the Section 80 Amount (as defined in said Article 15) shall be £309,492.

8. That the power to allot equity securities (within the meaning of Section 94 of the Companies Act 1985) conferred on the Directors by Article 15 of the Articles of Association of the company be and hereby is renewed for the period ending at the earlier of the conclusion of the Annual General Meeting of the company to be held in 2008 and the expiry of the period of 15 months following the passing of this resolution and that for such period the Section 89 Amount (as defined in the said Article 15) shall be £59,525.

9. That the company be generally and unconditionally authorised to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of ordinary shares of 10p each of the company provided that:

a) The maximum number of ordinary shares hereby authorised to be acquired is 1,190,507;

b) The minimum price which may be paid for any such share is 10p;

c) The maximum price which may be paid for any such share is an amount equal to 105% of the average of the middle market quotations for an ordinary share in the company as derived from the Alternative Investment Market for the five business days immediately preceding the day on which such share is contracted to be purchased;

d) The authority hereby conferred shall expire on the date of the Annual General Meeting of the company in 2008; and

e) The company may make a contract to purchase its ordinary shares under the authority hereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority, and may purchase its ordinary shares in pursuance of any such contract.

10. That the company may send or supply documents or information to members by making them available on a website or by other electronic means.

Notes

1. A member entitled to attend and vote at the meeting may appoint one or more proxies, whether a member of the company or not, to exercise all or any of his rights to attend and to speak and vote at the meeting. A form of proxy accompanies this notice.

2. The register of Directors' share interests pursuant to Section 808 of the Companies Act 2006 and copies of the Directors' service contracts will be available for inspection during usual business hours, at the registered office of the company on any weekday (Saturdays and public holidays excepted) from the date of this notice until the date of the Annual General Meeting and also at the Annual General Meeting for at least 15 minutes prior to, and until the conclusion of, the Meeting.

By order of the Board

P D Mason
Company Secretary

Merse Road
North Moons Moat
Redditch
Worcestershire
B98 9HH
11 October 2007

Form of proxy
(for shareholders' use only)

I/We ....
(Block letters please)

of ....
being a member of F W Thorpe Plc, hereby appoint

....

or failing him the Chairman of the meeting, as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the company to be held at the Registered Office of the company on 15 November 2007 and at every adjournment thereof.

Please indicate with a cross in the appropriate space how you wish your vote to be cast. If no specific direction as to voting is given your proxy will vote or abstain at his/her discretion.

ORDINARY BUSINESS	FOR	AGAINST	VOTES WITHHELD
1 To adopt the Directors' Report and Accounts			
2 To declare a final dividend			
3 To re-elect Mr A B Thorpe as a Director			
4 To re-elect Mr C M Brangwin as a Director			
5 To reappoint PricewaterhouseCoopers LLP as Auditors of the company			
SPECIAL BUSINESS			
6 To approve the Directors' Remuneration Report			
7 To give the Directors authority to allot relevant securities (Section 80 C.A. 1985)			
8 To give the Directors authority to allot equity securities (Section 94 C.A. 1985)			
9 To give the company authority to make market purchases of its ordinary shares			
10 To authorise the company to communicate with its members electronically			

Dated this .... day of ....2007 Signature ....

Notes:
This proxy must reach the company's registered office not less than forty-eight hours before the time appointed for the meeting.

Any alteration made to this form of proxy should be initialled.

If you wish to appoint a proxy other than the Chairman of the meeting please insert the name and address of your proxy (who need not be a member of the company).

In the case of joint holders the signature of one holder will be accepted.

In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the register of members in respect of the joint holding.

In the case of a corporation this proxy should be under its common seal or under the hand of an officer or attorney or other person duly authorised.

Completion of the proxy form will not prevent a shareholder attending and voting in person.

The "votes withheld" option on this proxy is provided to enable you to abstain on any particular resolution. However, a vote withheld is not a vote in law and will not be counted in the calculation of votes "for" or "against" a resolution.

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BUSINESS REPLY SERVICE
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Equiniti
The Causeway
Worthing
West Sussex
BN99 6ZL

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Financial calendar

2007

16 October	Posting of Report and Accounts
15 November	Annual General Meeting
22 November	Payment of final dividend

2008

March	Announcement of Interim results
May	Payment of Interim dividend
September	Announcement of results for the year

industrial commercial architectural emergency low energy retail heritage control gear energy conserving systems

FW Thorpe Plc

Merse Road
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Redditch
Worcestershire
B98 9HH
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Incorporating
Thorlux Lighting
Compact Lighting
Sugg Lighting
Mackwell Electronics
Philip Payne

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