

Designplan Lighting Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2012

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COMPANIES HOUSE

Designplan Lighting Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P D Williamson
J D Shew
L McCarthy
D K Barnes
P B Barton

REGISTERED OFFICE

6 Wealdstone Road
Kimpton Industrial Estate
Sutton
Surrey
SM3 9RW

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
12 Gleneagles Court
Brighton Road
Crawley
West Sussex
RH10 6AD

Designplan Lighting Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Designplan Lighting Limited for the year ended 31 December 2012

PRINCIPAL ACTIVITIES

The principal activity of the company is the design, manufacture and sale of light fittings

REVIEW OF THE BUSINESS

Trading for the year was marginally down on last year reflecting continued difficult market conditions

Stock levels were adjusted to reflect demand

RECLASSIFICATION OF SALARY COSTS

The directors have reviewed the classification of costs within the profit and loss account and believe that customer service salaries should be shown within cost of sales instead of administrative expenses in order to present a more accurate view of the company's gross profit. They have adopted this treatment for the year ended 31 December 2012. As a consequence, they have therefore also restated the comparative profit and loss account to include customer service salaries within cost of sales with a corresponding reduction in gross profit and administrative expenses. This restatement has no effect on operating profit or shareholders' funds.

FUTURE DEVELOPMENTS

The businesses exports have grown significantly as a result of leveraging the group. We expect this trend to continue in 2013.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £424,132 (2011 - profit £695,908). Particulars of dividends paid are detailed in note 8 to the financial statements.

RESEARCH AND DEVELOPMENT

The company continues its research and development program to both improve its existing product ranges and to create new products for the future.

DIRECTORS

The directors who served the company during the year were as follows:

R G Green (resigned 4 January 2013)

P D Williamson

J D Shew

L McCarthy

D K Barnes

P B Barton

Third party indemnity provision was in place for the benefit of all directors of the company throughout the year.

DONATIONS

During the year the company made charitable donations totalling £2,600 (2011: £400).

Designplan Lighting Limited

DIRECTORS' REPORT

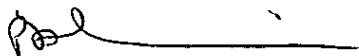
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that 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 it has been communicated to the auditor.

AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

On behalf of the board



P Williamson

Director

18/3/2013

Designplan Lighting Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' 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).

Under company law the directors must not approve the financial statements unless they are satisfied that they 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

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DESIGNPLAN LIGHTING LIMITED

We have audited the financial statements on pages 6 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

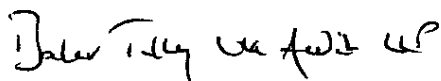
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



JONATHAN ERICSON (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

12 Gleneagles Court

Brighton Road

Crawley

West Sussex RH10 6AD

21 Nov 2013

Designplan Lighting Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2012

	Notes	2012 £	2011 £ (restated)
TURNOVER	1	10,538,639	12,185,658
Cost of sales		(5,513,923)	(7,238,641)
Gross profit		5,024,716	4,947,017
Distribution costs		(787,996)	(956,559)
Administrative expenses		(3,363,473)	(3,027,703)
Exceptional administrative expenses	2	(296,982)	—
OPERATING PROFIT	2	576,265	962,755
Interest receivable	5	20,275	2,074
		596,540	964,829
Interest payable and similar charges	6	(5,812)	(171)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		590,728	964,658
Taxation	7	(166,596)	(268,750)
PROFIT FOR THE FINANCIAL YEAR	21	424,132	695,908

The profit for the year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

Designplan Lighting Limited

BALANCE SHEET

31 December 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Tangible assets	9	156,667	115,537
Investments	10	250,002	250,002
		<u>406,669</u>	<u>365,539</u>
CURRENT ASSETS			
Stocks	11	1,160,022	1,411,356
Debtors	12	3,068,240	2,488,657
Cash at bank and in hand		1,220,465	2,961,637
		<u>5,448,727</u>	<u>6,861,650</u>
CREDITORS			
Amounts falling due within one year	14	(2,381,819)	(2,117,459)
NET CURRENT ASSETS		<u>3,066,908</u>	<u>4,744,191</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,473,577</u>	<u>5,109,730</u>
PROVISIONS FOR LIABILITIES	16	(262,663)	(322,948)
		<u>3,210,914</u>	<u>4,786,782</u>
CAPITAL AND RESERVES			
Called up share capital	20	360,300	360,300
Other reserves	21	214,575	214,575
Profit and loss account	21	2,636,039	4,211,907
SHAREHOLDERS' FUNDS	22	<u>3,210,914</u>	<u>4,786,782</u>

The financial statements on pages 6 to 19 were approved by the board of directors and authorised for issue on 18/3/2013 and are signed on their behalf by



P D Williamson

Designplan Lighting Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention

The company is exempt from the requirement to prepare group accounts as it is a wholly owned subsidiary of AB Fagerhult, a company registered in Sweden, and the accounts of the company are included in the consolidated accounts of AB Fagerhult, as detailed in note 23. The accounts reflect the results of the company as an individual undertaking and exclude the results of its subsidiary company.

GOING CONCERN

The company's business activities together with the factors likely to affect its future development, performance and position are set out in the review of the business on page 2. The company has considerable financial resources and has continued to operate profitably since the balance sheet date. As a consequence the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

RECLASSIFICATION OF SALARY COSTS

The directors have reviewed the classification of costs within the profit and loss account and believe that customer service salaries should be shown within cost of sales instead of administrative expenses in order to present a more accurate view of the company's gross profit. They have adopted this treatment for the year ended 31 December 2012. As a consequence, they have therefore also restated the comparative profit and loss account to include customer service salaries within cost of sales with a corresponding reduction in gross profit and administrative expenses. This restatement has no effect on operating profit or shareholders' funds.

CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption from reporting transactions with other wholly owned group companies conferred by Financial Reporting Standard No 8 on the grounds that it is a wholly-owned subsidiary of an ultimate holding company which publishes consolidated accounts.

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services in the ordinary nature of the business. Turnover is shown net of Value Added Tax, and is recognised when goods and services are provided to customers upon dispatch.

RESEARCH AND DEVELOPMENT

Expenditure on research and development in the year is charged to the profit and loss account.

FIXED ASSETS

All fixed assets are stated at cost net of depreciation and any provision for impairment.

Designplan Lighting Limited

ACCOUNTING POLICIES

DEPRECIATION

Depreciation is calculated so as to write off the cost of a tangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows

Plant, machinery and tools	- 3 to 10 years
Computer, furniture and fittings	- 3 to 10 years
Motor vehicles	- 5 years

IMPAIRMENTS

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairments in the profit and loss account

STOCKS

Stocks, including work in progress, are valued at the lower of cost, including an addition for production overheads, where appropriate, and net realisable value which is based upon estimated selling price less estimated costs to complete. Allowance has been made for obsolete or slow moving items

LEASING COMMITMENTS

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term

PENSION COSTS

Contributions to pension funds are charged to the profit and loss account as they become payable in accordance with the rules of the funds

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis

FOREIGN CURRENCIES

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange ruling at the date of the transaction. Adjustments due to currency fluctuations arising in the normal course of business are dealt with in the profit and loss account

Designplan Lighting Limited

ACCOUNTING POLICIES

FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

INVESTMENTS

Investments in the balance sheet are included at cost less provision for diminution in value. Long term investments are classified as fixed assets.

PROVISIONS

Provision is made for liabilities arising in respect of potential sales agency commissions under an EU Agency Directive.

Designplan Lighting Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

1 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	2012	2011
	£	£
United Kingdom	8,927,428	11,802,603
Overseas sales	1,611,211	383,055
	<u>10,538,639</u>	<u>12,185,658</u>

2 OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2012	2011
	£	£
Depreciation of owned fixed assets	80,947	94,685
Profit on disposal of fixed assets	(12,850)	(2,300)
Auditor's remuneration		
- as auditor	14,450	14,300
Operating lease costs		
- Plant and equipment	13,044	19,176
- Other	509,493	467,979
Net loss on foreign currency translation	27,346	3,484
Exceptional restructuring and redundancy costs	<u>296,982</u>	<u>-</u>

For the year ended 31 December 2012 auditor's remuneration of £2,500 for Designplan International Limited, this company's subsidiary, has been borne by the company

3 PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year was

	2012	2011
	No	No
Production staff	105	106
Sales	21	7
Administration	19	42
	<u>145</u>	<u>155</u>

The aggregate payroll costs of the above (including redundancy costs) were

	2012	2011
	£	£
Wages and salaries	3,680,180	3,286,956
Social security costs	349,365	295,216
Pension costs	83,895	69,031
	<u>4,113,440</u>	<u>3,651,203</u>

Designplan Lighting Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

4 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2012	2011
	£	£
Remuneration receivable	447,937	343,929
Value of company pension contributions to money purchase schemes	18,902	12,895
	<u>466,839</u>	<u>356,824</u>

In addition to the above, £42,000 was paid to a former director as compensation for loss of office

Remuneration of highest paid director

	2012	2011
	£	£
Total remuneration (excluding pension contributions)	126,703	127,579
Value of company pension contributions to money purchase schemes	5,917	794
	<u>132,620</u>	<u>128,373</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2012	2011
	No	No
Money purchase schemes	<u>5</u>	<u>4</u>

5 INTEREST RECEIVABLE

	2012	2011
	£	£
Bank interest receivable	<u>20,275</u>	<u>2,074</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
On bank loans and overdrafts	<u>5,812</u>	<u>171</u>

Designplan Lighting Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

7 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2012 £	2011 £
Current tax		
UK taxation		
In respect of the year		
UK Corporation tax based on the results for the year at 25% (2011 - 27%)	143,145	266,670
Under provision in prior year	(1,756)	-
	<u>141,389</u>	<u>266,670</u>
Double taxation relief	(8,357)	-
	<u>133,032</u>	<u>266,670</u>
Foreign tax		
Current tax on income for the year	11,308	-
Adjustments in respect of prior periods	(943)	-
	<u>10,365</u>	<u>-</u>
Total current tax	<u>143,397</u>	<u>266,670</u>
Deferred tax		
Origination and reversal of timing differences	14,499	2,080
Effect of decreased tax rate on opening liability	8,700	-
Total deferred tax (note 13)	<u>23,199</u>	<u>2,080</u>
Tax on profit on ordinary activities	<u>166,596</u>	<u>268,750</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 25% (2011 - 27%), as explained below

	2012 £	2011 £
Profit on ordinary activities before taxation	<u>590,728</u>	<u>964,658</u>
Profit on ordinary activities by rate of tax	147,682	260,458
Effects of		
Expenses not deductible for tax purposes	7,857	10,594
Capital allowances for period in excess of depreciation	(6,119)	(3,459)
Tax chargeable at lower rates	(2,970)	(5,532)
Adjustments to tax charge in respect of previous periods	(1,756)	-
Foreign tax credits	2,040	-
Other short term timing differences	(3,337)	4,609
Total current tax (note 7(a))	<u>143,397</u>	<u>266,670</u>

Designplan Lighting Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

7 TAXATION ON ORDINARY ACTIVITIES *(continued)*

(c) Factors that may affect future tax charges

Based on current capital investment plans, the company expects to continue to be able to claim capital allowances in excess of depreciation in future years but at a slightly lower level than in the current year

The company has brought forward capital losses of £160,948 (2011 £160,948) which are available to offset capital gains in the future

On 29 March 2012 the Government announced that the main rate of Corporation Tax would be reduced from 26% to 24% with effect from 1 April 2012. The main rate of corporation tax for the year from 1 April 2013 has been set at 23% by inclusion in the Finance Bill 2012. This was substantively enacted on 3 July 2012. As such, in accordance with UK GAAP, the rate of 23% is used for the calculation of the deferred tax provision at 31 December 2012 (2011 25%)

8 DIVIDENDS

Equity dividends

	2012 £	2011 £
Paid during the year		
Dividends on equity shares £5.55 (2011 £—)	<u>2,000,000</u>	<u>—</u>

9 TANGIBLE FIXED ASSETS

	Plant, machinery and tools £	Computer, furniture and fittings £	Motor vehicles £	Total £
Cost				
At 1 January 2012	3,813,578	1,218,846	13,090	5,045,514
Additions	75,795	35,703	—	111,498
Disposals	(390,042)	—	(6,495)	(396,537)
Transfer from group undertaking	—	6,840	24,800	31,640
At 31 December 2012	<u>3,499,331</u>	<u>1,261,389</u>	<u>31,395</u>	<u>4,792,115</u>
Depreciation				
At 1 January 2012	3,750,735	1,170,329	8,913	4,929,977
Charge for the year	43,526	31,142	6,279	80,947
On disposals	(390,042)	—	(6,495)	(396,537)
Transfer from group undertaking	—	6,594	14,467	21,061
At 31 December 2012	<u>3,404,219</u>	<u>1,208,065</u>	<u>23,164</u>	<u>4,635,448</u>
Net book value				
At 31 December 2012	<u>95,112</u>	<u>53,324</u>	<u>8,231</u>	<u>156,667</u>
At 31 December 2011	<u>62,843</u>	<u>48,517</u>	<u>4,177</u>	<u>115,537</u>

Designplan Lighting Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

10 INVESTMENTS

	Shares in group undertakings £
Cost	
At 1 January 2012 and 31 December 2012	<u>250,002</u>
Net book value	
At 31 December 2012 and 31 December 2011	<u>250,002</u>

The company holds more than 10% of the equity share capital of the following

	Country of registration and operation	Equity Class	Proportion held	Nature of business
Designplan International Limited	England	Ordinary	100%	Lighting wholesaler

On 1 January 2012 the company acquired the trade and assets of its subsidiary undertaking, Designplan International Limited at cost via a hive up transaction. From that date, Designplan International Limited became dormant.

The fair value of the net assets hived up is set out below. There were no fair value adjustments.

	£
Tangible fixed assets	10,579
Debtors and prepayments	132,614
Cash	269,232
Creditors and accruals	(58,710)
Deferred tax asset	1,410
Fair value of assets acquired	<u>355,125</u>

The aggregate amount of capital and reserves shown in the balance sheet of Designplan International Limited at 31 December 2011 was £1,072,668. The company's retained profit for 2012 amounted to £nil.

11 STOCKS

	2012 £	2011 £
Raw materials	866,226	921,282
Finished goods	135,647	285,721
Work in progress	158,149	204,353
	<u>1,160,022</u>	<u>1,411,356</u>

Designplan Lighting Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

12 DEBTORS

	2012	2011
	£	£
Trade debtors	1,655,108	2,163,869
Amounts owed by group undertakings	1,096,311	36,790
Corporation tax repayable	62,421	–
Other debtors	6,407	16,120
Prepayments and accrued income	181,429	183,525
Deferred taxation (note 13)	66,564	88,353
	<u>3,068,240</u>	<u>2,488,657</u>

13 DEFERRED TAXATION

The deferred taxation included in the balance sheet is as follows

	2012	2011
	£	£
Included in debtors (note 12)	<u>66,564</u>	<u>88,353</u>

The movement in the deferred taxation account during the year was

	2012	2011
	£	£
Balance brought forward	88,353	90,433
Deferred tax on hive up of subsidiary trade and assets	1,410	–
Profit and loss account movement arising during the year	(23,199)	(2,080)
Balance carried forward	<u>66,564</u>	<u>88,353</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2012	2011
	£	£
Excess of depreciation over taxation allowances	62,822	80,357
Other timing differences	3,742	7,996
	<u>66,564</u>	<u>88,353</u>

The provision is based on a corporation tax rate of 23% (2011 25%) Deferred tax on capital tax losses of £37,018 (2011 £40,237) is not included in the balance sheet as there is presently no likelihood of recovery

Designplan Lighting Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

14 CREDITORS Amounts falling due within one year

	2012	2011
	£	£
Trade creditors	732,331	735,961
Amounts owed to group undertakings	1,072,668	717,543
Corporation tax	–	74,170
PAYE and social security	96,127	94,638
VAT	202,754	290,062
Other creditors	11,583	22,143
Accruals and deferred income	266,356	182,942
	<u>2,381,819</u>	<u>2,117,459</u>

The company had an interest free loan from The Carbon Trust that was repayable by monthly instalments of £1,021 which was fully repaid on 18 June 2012

Other creditors include amounts due to The Carbon Trust

	2012	2011
	£	£
Repayable within one year	<u>–</u>	<u>6,126</u>

15 PENSIONS

The company operates two types of defined contributions pension schemes. Both of these are funded defined contribution personal pension plans where the assets are held separately for individual members and are not available generally to all members. The total contributions to these plans were £83,895 (2011 £69,031). At the balance sheet date there were outstanding contributions totalling £11,583 (2011 £10,703) due to these pension schemes.

16 PROVISIONS FOR LIABILITIES

	2012
	£
Balance brought forward	322,948
Provided during the year	22,387
Released during the year	(82,672)
Balance carried forward	<u>262,663</u>

Provision is made, at the rate of 0.5% of net invoiced sales generated by each agent, for amounts likely to be payable by the company to sales consultants operating in Europe on retirement, under the EU Agency Directive, assuming that each consultant continues to operate until reaching retirement at age 65.

Designplan Lighting Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

17 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as set out below

	2012		2011	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire				
Within 1 year	93,478	3,722	-	45,911
Within 2 to 5 years	536,000	89,530	400,000	38,292
	<u>629,478</u>	<u>93,252</u>	<u>400,000</u>	<u>84,203</u>

18 GUARANTEES AND CONTINGENT LIABILITY

The company is part of a group VAT election and is therefore jointly and severally liable for the VAT liability of other group companies. The liability at the year end is £nil (2011 £nil)

19 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption from reporting transactions with other wholly-owned group companies conferred by Financial Reporting Standard No 8 on the grounds that it is a wholly-owned subsidiary of an ultimate holding company which publishes consolidated accounts

20 SHARE CAPITAL

	2012 £	2011 £
Allotted, called up and fully paid 360,300 Ordinary shares of £1 each	<u>360,300</u>	<u>360,300</u>

21 RESERVES

	Capital redemption reserve £	Profit and loss account £
Balance brought forward	214,575	4,211,907
Profit for the year	-	424,132
Equity dividends	-	(2,000,000)
Balance carried forward	<u>214,575</u>	<u>2,636,039</u>

22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Profit for the financial year	424,132	695,908
Equity dividends	(2,000,000)	-
Net (reduction)/addition to shareholders' funds	<u>(1,575,868)</u>	<u>695,908</u>
Opening shareholders' funds	4,786,782	4,090,874
Closing shareholders' funds	<u>3,210,914</u>	<u>4,786,782</u>

Designplan Lighting Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

23 ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company's immediate parent company is Fagerhults Belysning AB and the ultimate holding company is AB Fagerhult, both incorporated in Sweden. AB Fagerhult is considered to be the company's controlling party.

The largest and smallest group preparing consolidated accounts that include the results of the company is AB Fagerhult. These accounts can be obtained from AB Fagerhult, SE-566 80 Habo, Sweden.