

10 June

Registered Number: 2182306

DESIGNPLAN INTERNATIONAL LIMITED

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2002



DESIGNPLAN INTERNATIONAL LIMITED

DIRECTORS' REPORT

31 December 2002

The directors present their report and the audited financial statements for the year ended 31 December 2002.

Principal activity

The principal activity is the export sales of lighting equipment.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	Ordinary 1p shares	
	31 December 2002	31 December 2001
M J Biancardi	35	35
D A Cumper	-	-
M J Cumper	-	-

The directors' interests in the shares of the ultimate holding company, Designplan Management Services Limited, and, immediate holding company, Designplan Lighting Limited, were as follows

	Ultimate holding company Ordinary shares of £1 each		Immediate holding company Ordinary shares of £1 each	
	31 December 2002	31 December 2001	31 December 2002	31 December 2001
M J Biancardi	-	-	-	-
D A Cumper	180,200	50	-	179,850
M J Cumper	180,200	50	-	179,850

Auditors

Baker Tilly have agreed to offer themselves for re-election as auditors of the company.

Small companies exemptions

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board

M J Cumper
Secretary

Wealdstone Road
Kimpton Industrial Estate
Sutton
Surrey
SM3 9RW

21 July 2003

DESIGNPLAN INTERNATIONAL LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss for that period.

In preparing these financial statements we are required to:

- Select suitable accounting policies and apply them consistently;
- Make reasonable and prudent judgements and estimates;
- State whether accounting standards have been followed and give details of any departures;
- Prepare the financial statements on a going concern basis unless in our view the company will be unable to continue in business.

We are also responsible for:

- Keeping proper accounting records;
- Safeguarding the company's assets;
- Taking reasonable steps for the prevention and detection of fraud;
- Preparation of the directors' report and other information in the annual report in accordance with the law.

By order of the board



M J Cumper

Secretary

21 July 2003

DESIGNPLAN INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT

Independent auditors' report to the shareholders of Designplan International Limited

We have audited the financial statements of Designplan International Limited for the year ended 31 December 2002 on pages 4 to 10.

This report is made solely to the group's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the group'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 group and the group's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 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 the United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company 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. 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.

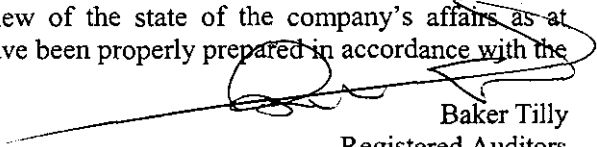
Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Baker Tilly
Registered Auditors
Chartered Accountants

12 Gleneagles Court
Crawley
West Sussex RH10 6AD

21 July 2003

DESIGNPLAN INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2002

	Note	2002 £	2001 As restated £
Turnover	2	1,040,103	1,147,145
Cost of sales		(860,873)	(928,052)
Gross profit		179,230	219,093
Distribution costs		(29,528)	(34,453)
Administrative expenses		(278,702)	(300,470)
Other operating income		86,226	90,354
Exchange profits on trading and monetary assets		23,780	22,517
Provision against balances due from subsidiary		46,605	45,753
Operating profit	3	27,611	42,794
Interest received	4	44,859	53,235
Interest payable	5	(7,542)	(6,767)
Profit on ordinary activities before taxation		64,928	89,262
Tax on ordinary activities	6	(44,780)	(71,496)
Profit for the financial year	14	20,148	17,766

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 31 December 2002

	2002 £	2001 As restated £
Profit for the financial year	20,148	17,766
Prior year adjustment (as explained in note 11)	63,500	
	83,648	

DESIGNPLAN INTERNATIONAL LIMITED

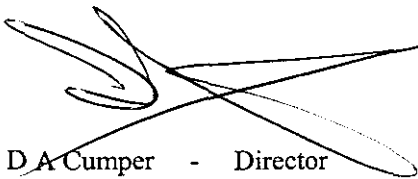
BALANCE SHEET

at 31 December 2002

		2002		2001	
	Note	£	£	As restated	£
Fixed assets					
Tangible assets	7		3,486	-	
Investments	8		140	140	
			<u>3,626</u>	<u>140</u>	
Current assets					
Deferred tax asset	12	26,000		63,500	
Debtors: amounts falling due within one year	9	575,957		542,814	
Debtors: amounts falling due after one year	9	233,883		291,243	
Cash at bank and in hand		74,559		42,617	
		<u>910,399</u>		<u>940,174</u>	
Creditors: amounts falling due within one year	10	<u>402,882</u>		<u>449,319</u>	
Net current assets			<u>507,517</u>	<u>490,855</u>	
Total assets less current liabilities			<u>511,143</u>	<u>490,995</u>	
Capital and reserves (equity)					
Share capital	13		2	2	
Profit and loss account	14		511,141	490,993	
Shareholders' funds	15		<u>511,143</u>	<u>490,995</u>	

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies. In addition the financial statements have been prepared in accordance with the Financial Reporting Standard for Small Entities (June 2002).

The financial statements on pages 4 to 10 were approved by the board of directors on 21 July 2003.


D.A. Cumper - Director

DESIGNPLAN INTERNATIONAL LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2002

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention in accordance with FRSSE (effective June 2002). The company relies on the continuing support of its parent company, Designplan Lighting Limited.

Consolidation

The company has taken advantage of the exemption from preparing consolidated accounts available in section 228 of the Companies Act 1985 for parent companies included in the financial statements of a larger group. These financial statements show the results and position of Designplan International Limited only.

Depreciation

Depreciation of tangible fixed assets by equal annual instalments commencing with the year of acquisition at rates estimated to write off their cost less any residual value over the expected useful lives i.e. office equipment at 5 years straight line.

Investments

Investments in the balance sheet are included at cost less provision for diminution in value.

Foreign currencies

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the date of transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date.

Deferred taxation

The company policy for the provision of deferred tax was changed during the year to comply with FRS 19, resulting in a prior year adjustment as described in note 11 to these financial statements.

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 are stated 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 substantially enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis.

2 Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities, stated net of value added tax.

Turnover is attributed to the following markets

	2002 %	2001 %
Europe	46	31
North America	26	23
Far East	22	35
Rest of the World	6	11
	<hr/> 100	<hr/> 100

All the company's activities during the year are classed as continuing. There were no acquisitions during the year.

DESIGNPLAN INTERNATIONAL LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2002

(continued)

3	Operating profit	2002	2001
	Operating profit is stated after charging	£	£
	Depreciation – own assets	115	-
	Auditors remuneration	2,500	2,500
	Directors' emoluments	83,212	98,314
		<u> </u>	<u> </u>
4	Interest receivable		
	Group interest	43,301	51,020
	Bank interest	558	1,015
	Other interest	1,000	1,200
		<u> </u>	<u> </u>
		44,859	53,235
		<u> </u>	<u> </u>
5	Interest payable		
	Bank interest	6,732	6,767
	Other interest	810	-
		<u> </u>	<u> </u>
		7,542	6,767
		<u> </u>	<u> </u>
6	Taxation	2002	2001
			As restated
	Current tax	£	£
	- Corporation tax on profits for year	-	33,700
	- Adjustment in respect of prior years	7,280	39,996
		<u> </u>	<u> </u>
		7,280	73,696
	Deferred tax		
	- Origination and reversal of timing differences	37,500	(2,200)
		<u> </u>	<u> </u>
	Tax on profit on ordinary activities	44,780	71,496
		<u> </u>	<u> </u>
7	Tangible assets		Computer
			Equipment
			£
	Cost		
	At 1 January 2002		-
	Additions		3,601
			<u> </u>
	At 31 December 2002		3,601
			<u> </u>
	Accumulated depreciation		
	At 1 January 2002		-
	Charge for the year		115
			<u> </u>
	At 31 December 2002		115
			<u> </u>
	Net book value		
	31 December 2002		3,486
			<u> </u>
	31 December 2001		-
			<u> </u>

DESIGNPLAN INTERNATIONAL LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2002

(continued)

		2002 £	2001 £
8	Investments		
	Cost of shares in subsidiary undertakings		
	1 January 2002 and 31 December 2002	140	140

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

Name of undertaking	Country of incorporation	Class of share	Proportion held	Nature of business
Designplan Lighting Inc	USA	Ordinary	75.0%	Design and manufacture of lighting equipment
FP Realty LLP	USA	Ordinary	66.7%	Property company

	2002 £	2001 £
9 Debtors		
Amounts falling due within one year		
Amounts due from group undertakings	532,795	533,146
Other debtors	40,924	2,629
Prepayments and accrued income	2,238	7,039
	<hr/> 575,957	<hr/> 542,814
Amounts falling due after more than one year		
Amounts due from group undertaking	233,883	291,243
	<hr/> 809,840	<hr/> 834,057

10 Creditors: amounts falling due within one year

Bank loans and overdrafts	150,667	197,226
Trade creditors	-	8,159
Amounts owed to group undertakings	248,583	207,018
Corporation tax	-	34,100
Accruals	3,632	2,816
	402,882	449,319

11 Prior year adjustment

No provision was made for deferred tax in prior years. With the introduction of FRS 19 Deferred tax asset of £63,500 was created which has resulted in a prior year adjustment.

DESIGNPLAN INTERNATIONAL LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2002

(continued)

12	Deferred tax		2002	2001
			£	As restated £
	Deferred tax asset			
	Accelerating capital allowances		(400)	-
	Intercompany balances		26,400	63,500
			<u>26,000</u>	<u>63,500</u>
13	Share capital		2002	2001
		Number of shares	£	Number of shares
	Authorised			
	100,000 ordinary shares of 1p each	<u>100,000</u>	<u>1,000</u>	<u>100,000</u>
	Allotted, called up and fully paid			
	200 ordinary shares of 1p each	<u>200</u>	<u>2</u>	<u>2</u>
14	Profit and loss account		2002	
			£	
	1 January 2002 as previously stated		427,493	
	Prior year adjustment (note 11)		63,500	
	1 January 2002		<u>490,993</u>	
	Profit for the financial year		20,148	
	31 December 2002		<u>511,141</u>	
15	Shareholders' funds			
	Profit for the financial year		20,148	
	Opening shareholders funds (originally £427,495 before adding a prior year adjustment of £63,500)		490,995	
	Closing shareholders funds		<u>511,143</u>	

16 Guarantees and other financial commitments

The company has a cross guarantee with the following companies given to National Westminster Bank Plc against advances by the bank to these companies. The advances at 31 December 2002 totalled £216,590 (2001 £615,482).

Designplan Management Services Limited
 Designplan Lighting Limited
 Charisma Lighting Limited (formerly Carvill Lighting Limited)
 Steelplan Kitchens Limited
 Richmond Lighting Limited
 Richmond Plastics Limited
 Travel by Design (Chertsey) Limited

DESIGNPLAN INTERNATIONAL LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2002

(continued)

17 Related party transactions

Designplan Management Services Limited (Management) owns 100% of the share capital of Designplan Lighting Limited (Designplan).

Designplan Lighting Limited owns 82.5% of the share capital of Designplan International Limited (International) which owns 75% of the share capital of Designplan Lighting Inc (Inc) and 67% of FP Realty LLP. Designplan Lighting owns 100% of the share capital of Steelplan Kitchens Limited (Steelplan) and Carvill Lighting Limited (Carvill).

Richmond Lighting Limited (Richmond), Richmond Plastics Limited (Plastics) and Travel by Design (Chertsey) Limited (Travel) are three companies that are under common control with Designplan International Limited.

During the year to 31 December 2002 the following transactions took place between them:

- (i) International was charged for services £164,108 (2001 £175,070) by Management. The amount due to Management at the year end was £103,212 (2001 £96,148).
- (ii) International purchased goods for £862,274 (2001 £916,696) from Designplan. International reimbursed £130,468 (2001 £148,508) for wages and other expenses paid on their behalf. The balance due to Designplan at the year end was £145,371 (2001 £110,870).
- (iii) International sold goods for £268,137 (2001 £263,241) to Inc. The gross amount due from Inc at the year end was £854,588 (2001 £1,036,047). A provision of £87,910 (2001 £211,658) was made at the year end, £108,033 was debited (2001 £7,359 debited) to the profit and loss account together with the exchange credit of £15,715 (2001 £53,112 credit).
- (iv) International purchased goods for £1,931 (2001 £4,650) from Plastics. The amount due to Plastics at the year end was £nil (2001 £nil).
- (v) International purchased services for £8,879 (2001 £19,410) from Travel. The amount due to Travel at the year end was £nil (2001 £nil).

18 Holding company

The company's immediate holding company is Designplan Lighting Limited, which is incorporated in England.

The company's ultimate holding company is Designplan Management Services Limited, which is incorporated in England.