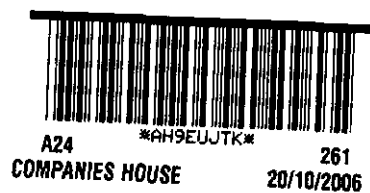


DESIGNPLAN INTERNATIONAL LIMITED

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2005



DESIGNPLAN INTERNATIONAL LIMITED

DIRECTORS' REPORT

31 December 2005

The directors present their report and the audited financial statements for the year ended 31 December 2005.

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 2005 | 31 December 2004 |
| 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 | | Immediate holding company | |
|---------------|----------------------------|------------------|----------------------------|------------------|
| | Ordinary shares of £1 each | | Ordinary shares of £1 each | |
| | 31 December 2005 | 31 December 2004 | 31 December 2005 | 31 December 2004 |
| M J Biancardi | - | - | - | - |
| D A Cumper | 180,200 | 180,200 | - | - |
| M J Cumper | 180,200 | 180,200 | - | - |

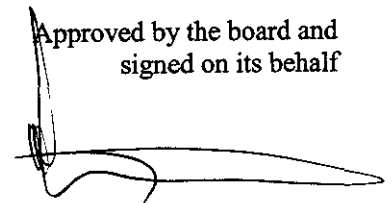
Auditors

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.

Approved by the board and
signed on its behalf



M J Cumper
Secretary

Wealdstone Road
Kimpton Industrial Estate
Sutton
Surrey
SM3 9RW

13 October 2006

DESIGNPLAN INTERNATIONAL LIMITED

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Company law requires the directors to prepare financial statements for each financial year which 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 these financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DESIGNPLAN INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DESIGNPLAN INTERNATIONAL LIMITED

We have audited the financial statements of Designplan International Limited for the year ended 31 December 2005 on pages 4 to 11.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 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).

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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs at 31 December 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Baker Tilly
Registered Auditor
Chartered Accountants
12 Gleneagles Court
Crawley
West Sussex RH10 6AD

13 October 2006

DESIGNPLAN INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2005

| | | 2005 | 2004 |
|--|------|----------------------|-----------------------|
| | Note | £ | £ |
| Turnover | 2 | 859,623 | 1,058,361 |
| Cost of sales | | (633,157) | (859,861) |
| Gross profit | | <u>226,466</u> | <u>198,500</u> |
| Distribution costs | | (37,418) | (34,012) |
| Administrative expenses | | (376,868) | (305,008) |
| Other operating income | | 63,457 | 89,083 |
| Exchange profits/(loss) on trading and monetary assets | | 140,156 | (50,795) |
| Provision against balances due from subsidiary | | - | 88,102 |
| Operating profit | 3 | <u>15,793</u> | <u>(14,130)</u> |
| Interest received | 4 | 24,205 | 23,582 |
| Interest payable | 5 | (2,070) | (12,656) |
| Profit on ordinary activities before taxation | | <u>37,928</u> | <u>(3,204)</u> |
| Tax on ordinary activities | 6 | (7,950) | 250 |
| Profit for the financial year | 14 | <u><u>29,978</u></u> | <u><u>(2,954)</u></u> |

DESIGNPLAN INTERNATIONAL LIMITED

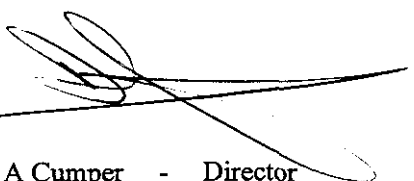
BALANCE SHEET

at 31 December 2005

| | | 2005 | | 2004 | |
|---|------|----------------|----------------|----------------|----------------|
| | Note | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 7 | | 2,650 | | 3,908 |
| Investments | 8 | | 140 | | 140 |
| | | | <u>2,790</u> | | <u>4,048</u> |
| Current assets | | | | | |
| Stock | 9 | 1,289 | | 1,289 | |
| Debtors: amounts falling due within one year | 10 | 562,174 | | 503,258 | |
| Debtors: amounts falling due after one year | 10 | 45,085 | | 220,137 | |
| Cash at bank and in hand | | 242,717 | | 70,353 | |
| | | <u>851,265</u> | | <u>795,037</u> | |
| Creditors: amounts falling due within one year | 11 | <u>354,534</u> | | <u>329,392</u> | |
| Net current assets | | | 496,731 | | 465,645 |
| Total assets less current liabilities | | | <u>499,521</u> | | <u>469,693</u> |
| Provisions for liabilities and charges | 12 | | 100 | | 250 |
| Capital and reserves (equity) | | | <u>499,421</u> | | <u>469,443</u> |
| Share capital | 13 | | 2 | | 2 |
| Profit and loss account | 14 | | 499,419 | | 469,441 |
| Shareholders' funds | 15 | | <u>499,421</u> | | <u>469,443</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 11 were approved and authorised for issue by the board of directors on 13 October 2006.


D A Cumper - Director

DESIGNPLAN INTERNATIONAL LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2005

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.

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. Allowance has been made for obsolete or slow moving items.

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

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.

DESIGNPLAN INTERNATIONAL LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2005

(continued)

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

| | 2005 % | 2004 % |
|-------------------|------------|------------|
| Europe | 59 | 69 |
| North America | 15 | 12 |
| Far East | 5 | 14 |
| Rest of the World | 21 | 5 |
| | <u>100</u> | <u>100</u> |

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

3 Operating profit

| | 2005 £ | 2004 £ |
|---|---------------|---------------|
| Operating profit is stated after charging | | |
| Depreciation – own assets | 1,258 | 1,200 |
| Auditors remuneration | 4,750 | 4,500 |
| Directors' emoluments | 77,163 | 73,598 |
| | <u>83,171</u> | <u>79,298</u> |

4 Interest receivable

| | | |
|----------------|---------------|---------------|
| Group interest | 23,139 | 24,386 |
| Bank interest | 1,066 | 196 |
| Other interest | - | (1,000) |
| | <u>24,205</u> | <u>23,582</u> |

5 Interest payable

| | | |
|---------------|--------------|---------------|
| Bank interest | 2,070 | 12,656 |
| | <u>2,070</u> | <u>12,656</u> |

6 Taxation

| | | |
|--|--------------|-----------------|
| Current tax | | |
| - Corporation tax for the year | 8,100 | (26,500) |
| - Adjustment in respect of prior years | - | - |
| | <u>8,100</u> | <u>(26,500)</u> |
| Deferred tax | | |
| - Origination and reversal of timing differences | (150) | 26,250 |
| | <u>(150)</u> | <u>26,250</u> |
| Tax on profit on ordinary activities | 7,950 | (250) |
| | <u>7,950</u> | <u>(250)</u> |

NOTES ON FINANCIAL STATEMENTS

| | | |
|---|--|-------------------------------------|
| 7 | Tangible assets | Computer Equipment £ |
| | Cost | |
| | At 1 January 2005 and 31 December 2005 | 6,287 |
| | | <hr/> |
| | Accumulated depreciation | |
| | At 1 January 2005 | 2,379 |
| | Charge for the year | 1,258 |
| | | <hr/> |
| | At 31 December 2005 | 3,637 |
| | | <hr/> |
| | Net book value | |
| | 31 December 2005 | 2,650 |
| | | <hr/> <hr/> |
| | 31 December 2004 | 3,908 |
| | | <hr/> <hr/> |
| | | 2005 2004 |
| | | £ £ |

Cost of shares in subsidiary undertakings
1 January 2005 and 31 December 2005

| 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 |

- 8 -

DESIGNPLAN INTERNATIONAL LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2005

(continued)

(continued)

| | | 2005 £ | 2004 £ |
|----|---|-----------------------------|-----------------------------|
| 10 | Debtors | | |
| | Amounts falling due within one year | | |
| | Amounts due from group undertakings | 552,445 | 497,226 |
| | Other debtors | 8,568 | 387 |
| | Prepayments and accrued income | 1,161 | 5,645 |
| | | <u>562,174</u> | <u>503,258</u> |
| | Amounts falling due after more than one year | | |
| | Amounts due from group undertaking | 45,085 | 220,137 |
| | | <u>607,259</u> | <u>723,395</u> |
| 11 | Creditors: amounts falling due within one year | | |
| | Bank loans and overdrafts | 15,634 | 74,436 |
| | Amounts owed to group undertakings | 303,515 | 247,570 |
| | Corporation tax | 8,100 | - |
| | Other taxation and social security | 3,785 | - |
| | Accruals | 23,500 | 7,386 |
| | | <u>354,534</u> | <u>329,392</u> |
| 12 | Deferred tax | | |
| | Accelerated capital allowances | <u>100</u> | <u>250</u> |
| | 1 January 2005 | 250 | |
| | Profit and loss account | <u>(150)</u> | |
| | 31 December 2005 | <u>100</u> | |
| 13 | Share capital | | |
| | | 2005 | 2004 |
| | | Number of shares | Number of shares |
| | | £ | £ |
| | Authorised | | |
| | 100,000 ordinary shares of 1p each | <u>100,000</u> | <u>100,000</u> |
| | Allotted, called up and fully paid | | |
| | 200 ordinary shares of 1p each | <u>200</u> | <u>200</u> |

DESIGNPLAN INTERNATIONAL LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2005

(continued)

| | | |
|-----------|--------------------------------|-------------|
| 14 | Profit and loss account | 2005 |
| | | £ |
| | 1 January 2005 | 469,441 |
| | Profit for the financial year | 29,978 |
| | | <hr/> |
| | 31 December 2005 | 499,419 |
| | | <hr/> |
| 15 | Shareholders' funds | |
| | Profit for the financial year | 29,978 |
| | Opening shareholders funds | 469,443 |
| | | <hr/> |
| | Closing shareholders funds | 499,421 |
| | | <hr/> |

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 2005 totalled £nil (2004 £226,815).

Designplan Management Services Limited
Designplan Lighting Limited
Richmond Lighting Limited
Richmond Plastics Limited

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.

During the year to 31 December 2005 the following transactions took place between them:

- (i) International was charged for services £179,085 (2004 £123,472) by Management. The amount due to Management at the year end was £112,800 (2004 £106,960).
- (ii) International purchased goods for £632,582 (2004 £855,601) from Designplan. International reimbursed £66,285 (2004 £61,466) for wages and other expenses paid on their behalf. The balance due to Designplan at the year end was £190,715 (2004 £140,610).

DESIGNPLAN INTERNATIONAL LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2005

(continued)

17 Related party transactions (continued)

- (iii) International sold goods for £130,907 (2004 £129,333) to Inc. International received interest from Inc of £23,139 (2004 £24,386). The gross amount due from Inc at the year end was £587,600 (2004 £761,269). A provision of £nil (2004 £nil) was made at the year end, £nil was credited (2004 £82,164 credited) to the profit and loss account together with the exchange credit of £nil (2004 £5,938 credit).

18 Parent undertakings

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.