

Registration No: 2182306

DESIGNPLAN INTERNATIONAL LIMITED

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 1996



**DESIGNPLAN INTERNATIONAL LIMITED**

**DIRECTORS' REPORT**

**31 December 1996**

The directors present their report and the audited financial statements for the year ended 31 December 1996.

**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

	31 December 1996 Ordinary shares	31 December 1995 Ordinary shares
M.J. Biancardi	35	35
D.A. Cumper	-	-
M.J. Cumper	-	-

The directors' interests in the shares of the ultimate holding company, Designplan Lighting Limited, were as follows:-

	31 December 1996 Ordinary shares of £1 each	31 December 1995 Ordinary shares of £1 each
D.A. Cumper	179,850	179,850
M.J. Cumper	179,850	179,850

The above directors also have a beneficial interest in Designplan Lighting Retirement Benefit Scheme which holds 34,800 shares (1995 34,800 shares) in the ultimate holding company.

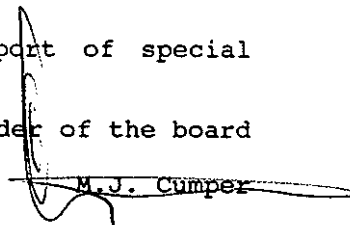
**Auditors**

Kidsons Impey have agreed to offer themselves for re-election as auditors of the company.

**Small companies exemptions**

Advantage has been taken in the preparation of this report of special exemptions applicable to small companies.

By order of the board

  
M.J. Cumper  
Secretary

Wealdstone Road,  
Kimpton Industrial Estate,  
Sutton, Surrey,  
SM3 9RW.

21 October 1997

**DESIGNPLAN INTERNATIONAL LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

We are required under company law 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.

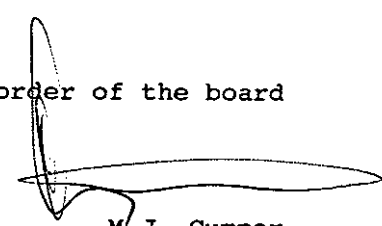
In preparing these financial statements we are required to:

- 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.

By order of the board



M.J. Cumper

Secretary

21 October 1997

**DESIGNPLAN INTERNATIONAL LIMITED**

**AUDITORS' REPORT**

**Auditors' report to the shareholders of Designplan International Limited**

We have audited the financial statements on pages 4 to 10 which have been prepared under the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with 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 confirming 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 1996 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985, applicable to small companies.



Kidsons Impey  
Registered Auditors  
Chartered Accountants

Horsham.

21 October 1997

**DESIGNPLAN INTERNATIONAL LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 December 1996**

	Note	1996 £	1995 £
Turnover	2	823,109	994,790
Cost of sales		(586,025)	(724,305)
Gross profit		237,084	270,485
Distribution costs		(49,496)	(48,920)
Administrative expenses		(156,660)	(109,604)
Exchange (losses)/gains on trading and monetary assets		(33,367)	2,986
Provision against balances due from insolvent subsidiary		(106,320)	(52,608)
Operating (loss)/profit		(108,759)	62,339
Bank interest received		910	2,855
Bank interest payable		(1,420)	(9,233)
(Loss)/profit on ordinary activities before taxation		(109,269)	55,961
Tax recoverable/(payable) on ordinary activities		28,552	(15,094)
(Loss)/profit for the financial year	11	(80,717)	40,867

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**for the year ended 31 December 1996**

(Loss)/profit for the financial year	(80,717)	40,867
--------------------------------------	----------	--------

**DESIGNPLAN INTERNATIONAL LIMITED**

**BALANCE SHEET**

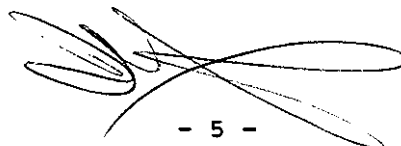
**at 31 December 1996**

	Note	1996	1995
		£	£
<b>Fixed assets</b>			
Investments	5	99	99
<b>Current assets</b>			
Stocks	6	12,099	1,284
Debtors	7	995,783	882,176
Cash at bank and in hand		43,020	41,103
		<u>1,050,902</u>	<u>924,563</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(1,047,237)</u>	<u>(840,181)</u>
<b>Net current assets</b>		<u>3,665</u>	<u>84,382</u>
<b>Total assets less current liabilities</b>		<u>3,764</u>	<u>84,481</u>
<b>Creditors: amounts falling due after more than one year</b>	9	<u>(97,403)</u>	<u>(97,403)</u>
		<u>(93,639)</u>	<u>(12,922)</u>
<b>Capital and reserves (equity)</b>			
Share capital	10	2	2
Profit and loss account	11	<u>(93,641)</u>	<u>(12,924)</u>
Shareholders' deficit	12	<u>(93,639)</u>	<u>(12,922)</u>

The financial statements on pages 4 to 10 were approved by the board of directors on 21 October 1997.

The directors have taken advantage in the preparation of these financial statements of special exemptions provided by Part 1 of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

D.A. Cumper      -      Director

  
- 5 -

DESIGNPLAN INTERNATIONAL LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 1996

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Deferred taxation

Deferred taxation is provided in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

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.

Cash flow

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Sections 246 to 247 of the Companies Act 1985 for small companies.

Consolidation

The company has taken advantage of the exemption from preparing consolidated accounts available in section 248 of the Companies Act 1985 for small companies. These financial statements show the results and position of Designplan International Limited only.

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;

	1996 %	1995 %
Europe	49	47
North America	26	22
Middle East	9	21
Far East	15	9
United Kingdom	1	1
	<hr/>	<hr/>
	100	100
	<hr/>	<hr/>

**DESIGNPLAN INTERNATIONAL LIMITED**

**NOTES ON FINANCIAL STATEMENTS**

**31 December 1996**  
(continued)

**2 Turnover (continued)**

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

<b>3 Operating (loss)/profit</b>	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Operating (loss)/profit is stated after charging;		
Auditors remuneration	2,500	2,500
	<u>          </u>	<u>          </u>
<b>4 Directors</b>		
Directors' emoluments	100,550	25,254
	<u>          </u>	<u>          </u>
<b>5 Fixed asset investments</b>		
Shares in subsidiary undertakings	99	99
	<u>          </u>	<u>          </u>

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

<b>Name of undertaking</b>	<b>Country of incorporation</b>	<b>Class of share</b>	<b>Proportion held</b>	<b>Nature of business</b>
Designplan Lighting Incorporated	U.S.A.	Ordinary	75%	Design and manufacture of lighting equipment

The above subsidiary made a loss in the year to 31 December 1996 of US\$55,250. As at 31 December 1996 its aggregate capital and reserves showed a deficiency of US\$827,706.

<b>6 Stocks</b>	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Finished goods and goods for resale	12,099	1,284
	<u>          </u>	<u>          </u>



**DESIGNPLAN INTERNATIONAL LIMITED**

**NOTES ON FINANCIAL STATEMENTS**

**31 December 1996**  
(continued)

	1996 £	1995 £
<b>7 Debtors</b>		
Amounts falling due within one year		
Trade debtors	297,858	176,466
Amounts due from subsidiary undertaking	484,750	508,103
Other debtors	41,179	30,440
Corporation tax	29,188	-
	<hr/>	<hr/>
	852,975	715,009
Amounts falling due after more than one year		
Subsidiary undertaking	142,808	167,167
	<hr/>	<hr/>
	995,783	882,176
	<hr/>	<hr/>
<b>8 Creditors: amounts falling due within one year</b>		
Bank loans and overdrafts	39,202	-
Trade creditors	4,818	11,089
Amounts owed to parent company	898,113	750,086
Other creditors	105,104	66,056
Corporation tax	-	12,950
	<hr/>	<hr/>
	1,047,237	840,181
	<hr/>	<hr/>
<b>9 Creditors: amounts falling due after more than one year</b>		
Amounts owed to parent company	97,403	97,403
	<hr/>	<hr/>

**DESIGNPLAN INTERNATIONAL LIMITED**

**NOTES ON FINANCIAL STATEMENTS**

**31 December 1996**  
(continued)

**10 Share capital**

	<b>1996</b>		<b>1995</b>	
	<b>Number of shares</b>	<b>£</b>	<b>Number of shares</b>	<b>£</b>
<b>Authorised</b>				
100,000 ordinary shares of 1p each	<u>100,000</u>	<u>1,000</u>	<u>100,000</u>	<u>1,000</u>
<b>Allotted and called up and fully paid</b>				
200 ordinary shares of 1p each	<u>200</u>	<u>2</u>	<u>200</u>	<u>2</u>

**11 Profit and loss account**

	<b>1996 £</b>	<b>1995 £</b>
1 January 1996	(12,924)	(53,791)
(Loss)/profit for the financial year	<u>(80,717)</u>	<u>40,867</u>
31 December 1996	<u>(93,641)</u>	<u>(12,924)</u>

**12 Shareholders' funds**

	<b>1996 £</b>	<b>1995 £</b>
(Loss)/profit for the financial year	(80,717)	40,867
Opening deficit as regards shareholders	<u>(12,922)</u>	<u>(53,789)</u>
Closing deficit as regards shareholders	<u>(93,639)</u>	<u>(12,922)</u>

**13 Holding company**

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

**14 Related party transactions**

Designplan Lighting Limited (Designplan) owns 82.5% of the share capital of Designplan International Limited (International) which own 75% of the share capital of Designplan Lighting Inc (Inc). Richmond Lighting Limited (Richmond) and Travel by Design (Chertsey) Ltd. (Travel) are two companies that are under common control with the Designplan group.

During the year to 31 December 1996 the following transactions took place between them:-

- (i) International purchased goods for £486,000 from Designplan.
- (ii) International reimbursed £52,852 to Designplan for wages and other expenses paid on their behalf. The amount due to Designplan at the year end was £907,801.

**DESIGNPLAN INTERNATIONAL LIMITED**

**NOTES ON FINANCIAL STATEMENTS**

**31 December 1996**  
(continued)

**14 Related party transactions (continued)**

- (iii) International sold goods for £218,000 to Inc. The amount due from Inc at the year end was £907,557.
- (iv) International purchased goods for £40,600 from Inc.
- (v) International purchased goods for £103,000 from Richmond. The amount due to Richmond at the year end was £10,615.
- (vi) International purchased services for £7,890 from Travel. The amount due to Travel at the year end was £532.