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Registered Number: 3817489

DESIGNPLAN MANAGEMENT SERVICES LIMITED

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2007

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DESIGNPLAN MANAGEMENT SERVICES LIMITED

31 December 2007

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DESIGNPLAN MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT

31 December 2007

The directors present their report and the audited financial statements for the year ended 31 December 2007

Principal activity

The principal activity of the group is the design, manufacture and sale of light fittings and plastic mouldings both in the home and export markets

Business review

The results of the group have been satisfactory during the year given increases in competition and changing markets and are much in line with the previous year. Distribution costs have been reduced while we try to contain administration expenses despite increasing staff costs.

Our sign business has continued to progress and although this has incurred substantial costs we are hopeful that this emerging market will be beneficial in the future. Our kitchen business has been moved into a newly incorporated company and we are optimistic of growing turnover and profitability going forward.

Research and Development

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

Profit, dividends and appropriations

The results for the year are shown in the consolidated profit and loss account on page 5.

The directors do not recommend the payment of a dividend.

Future developments

The group anticipates that competition in the future will remain fierce but that it is hopeful it can increase its market share. The group is continuing to monitor its costs in line with competitors.

Post year end activity

The structure of the group has changed since the balance sheet date. Further details of the changes can be seen in note 12.

Directors

The directors of the company during the year were as follows:

D A Cumper

M J Cumper

Charitable donations

During the year the group made charitable donations totalling £4,370.

Auditor

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

DESIGNPLAN MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT

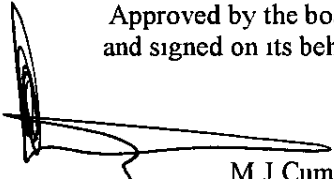
31 December 2007

(continued)

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 auditors are 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.

Approved by the board
and signed on its behalf



M J Cumper
Secretary

Wealdstone Road
Kimpton Industrial Estate
Sutton
Surrey
SM3 9RW

Date 1/8/8

DESIGNPLAN MANAGEMENT SERVICES 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 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 the group and of the profit or loss of the group 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 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 which 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 requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DESIGNPLAN MANAGEMENT SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members of Designplan Management Services Limited

We have audited the financial statements on pages 5 to 27

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 auditor

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 we 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 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 parent company's affairs as at 31 December 2007 and of the group's profit for the year then ended and 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



BAKER TILLY UK AUDIT LLP

Registered Auditor

Chartered Accountants

12 Gleneagles Court

Crawley

West Sussex RH10 6AD

Date 4 August 2008

DESIGNPLAN MANAGEMENT SERVICES LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2007

	Note	2007 £	2006 £
Turnover	2	15,509,129	15,817,334
Cost of sales			
Non-exceptional		7,631,169	
Exceptional (see note 3)		<u>254,572</u>	
Total		(7,885,741)	(8,291,588)
Gross profit		<u>7,623,388</u>	<u>7,525,746</u>
Distribution costs		(1,893,842)	(1,997,656)
Administrative expenses		(5,483,552)	(5,246,787)
Other operating income	4	<u>138,860</u>	<u>116,516</u>
Operating profit	5	<u>384,854</u>	<u>397,819</u>
Decrease in provision for pensions to former employees	18	57,000	-
Share of operating loss in associate		-	(39,018)
Profit on ordinary activities before interest		<u>441,854</u>	<u>358,801</u>
Interest receivable	7	99,014	68,169
Interest payable	8	(213,019)	(128,784)
Profit on ordinary activities before taxation		<u>327,849</u>	<u>298,186</u>
Tax on profit on ordinary activities	9	(186,743)	100,057
Profit on ordinary activities after taxation		<u>141,106</u>	<u>398,243</u>
Minority interest (equity)		(121,862)	(111,676)
Retained profit for the year	21	<u><u>19,244</u></u>	<u><u>286,567</u></u>

The company is exempt from publishing the parent's profit and loss account under section 230 of the Companies Act 1985

DESIGNPLAN MANAGEMENT SERVICES LIMITED

CONSOLIDATED STATEMENT OF TOTAL

RECOGNISED GAINS AND LOSSES

for the year ended 31 December 2007

	2007	2006
	£	£
Profit for the financial year	19,244	286,567
Currency transaction differences on foreign currency net investments	(1,798)	(8,692)
Deficit on minority interests	18,501	(73,642)
Total gains and losses recognised relating to the year	<u>35,947</u>	<u>204,233</u>
Prior period adjustment effect on minority interest	-	(79,969)
Total gains and losses recognised since last annual report	<u><u>35,947</u></u>	<u><u>124,264</u></u>

CONSOLIDATED NOTE OF HISTORICAL

COST PROFITS AND LOSSES

for the year ended 31 December 2007

There were no historical cost profits or losses, other than included in the profit and loss account, in either year

DESIGNPLAN MANAGEMENT SERVICES LIMITED

CONSOLIDATED BALANCE SHEET

at 31 December 2007

	Note	£	2007 £	£	2006 £
Fixed assets					
Intangible assets	10		155,935		207,913
Tangible assets	11		3,308,097		2,878,992
			<u>3,464,032</u>		<u>3,086,905</u>
Current assets					
Stocks	13	3,199,041		3,467,725	
Deferred tax	19	313,884		309,469	
Debtors due within one year	14	3,469,380		3,634,689	
Debtors due after one year	15	-		2,020	
Cash at bank and in hand	28	1,524,901		1,833,256	
			<u>8,507,206</u>	<u>9,247,159</u>	
Creditors: amounts falling due within one year	16	3,752,212		4,635,783	
Net current assets			<u>4,754,994</u>		<u>4,611,376</u>
Total assets less current liabilities			<u>8,219,026</u>		<u>7,698,281</u>
Creditors: amounts falling due after more than one year	17	1,464,299		1,041,329	
Provisions for liabilities	18	603,210		662,220	
			<u>2,067,509</u>		<u>1,703,549</u>
			<u>6,151,517</u>		<u>5,994,732</u>
Capital and reserves					
Called up share capital	20		360,400		360,400
Merger capital	22		214,575		214,575
Profit and loss account	22		4,939,938		4,903,991
Shareholders' funds	22		<u>5,514,913</u>		<u>5,478,966</u>
Minority interest (equity)			636,604		515,766
			<u>6,151,517</u>		<u>5,994,732</u>

The financial statements on pages 5 to 27 were approved and authorised for issue by the board of directors on August 2008 and signed on its behalf by

M J Cumper

Director

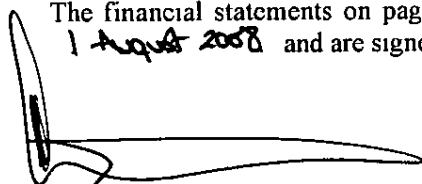
DESIGNPLAN MANAGEMENT SERVICES LIMITED

COMPANY BALANCE SHEET

at 31 December 2007

	Note	£	2007 £	£	2006 £
Fixed assets					
Tangible assets	11		2,606,274		1,932,687
Investments	12		1,000,409		1,000,409
			<u>3,606,683</u>		<u>2,933,096</u>
Current assets					
Deferred tax asset	19	127,100		143,100	
Debtors due within one year	14	102,222		266,780	
Cash at bank and in hand		1,370,319		1,318,909	
		<u>1,599,641</u>		<u>1,728,789</u>	
Creditors: amounts falling due within one year	16	957,880		876,154	
			<u>641,761</u>		<u>852,635</u>
Net current assets					
Total assets less current liabilities			<u>4,248,444</u>		<u>3,785,731</u>
Creditors: amounts falling due after more than one year	17		1,391,504		900,000
Provisions for liabilities	18		454,000		511,000
			<u>2,402,940</u>		<u>2,374,731</u>
Capital and reserves					
Called up share capital	20		360,400		360,400
Profit and loss account	22		2,042,540		2,014,331
			<u>2,402,940</u>		<u>2,374,731</u>

The financial statements on pages 5 to 27 were approved and authorised for issue by the board of directors on 1 August 2008 and are signed on its behalf by


M J Cumper Director

DESIGNPLAN MANAGEMENT SERVICES LIMITED

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2007

	Note	2007 £	2006 £
Net cash inflow/ (outflow) from operating activities	24	1,386,441	(207,815)
Returns on investment and servicing of finance			
Interest received		99,014	66,470
Rental income		138,860	117,313
Interest paid		(211,632)	(97,320)
Interest element of finance lease rental		(1,387)	(5,132)
Net cash inflow from returns on investment and servicing of finance		24,855	81,331
Taxation			
Net corporation tax paid		(136,799)	(313,487)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(915,753)	(218,522)
Receipts from sale of tangible fixed assets		11,660	16,534
Acquisitions and disposals		(904,093)	(201,988)
Purchase of shares in subsidiary undertaking		(55,000)	-
Management of liquid resources			
(Payments)/ receipts to/from short term deposits	26	(40,000)	20,000
Net cash inflow before financing		275,404	(621,959)
Financing			
Advance on bank loans		630,000	-
Other loan advances		-	-
Repayment of pension scheme loan		-	-
Repayment of borrowings		(216,240)	(113,611)
Capital element of finance lease rentals		(68,892)	(181,464)
Net cash inflow/ (outflow) from financing		344,868	(295,075)
Increase/(decrease) in cash in the year	26	620,272	(917,034)

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2007

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under historical cost convention. All the group's activities are classed as continuing.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of all other subsidiary companies on an acquisition basis. Subsidiaries acquired during the year are consolidated from the date control of share capital was transferred. Subsidiary companies are those where there is a dominant influence exercised and/or a unified management structure. The difference between cost of acquisition of the shares in subsidiaries and the fair value of the separate net assets acquired is capitalised and written off on a straight line basis over its estimated economic life. Provision is made for impairment. All financial statements are made up to 31 December 2007.

Goodwill

Goodwill arising on consolidation and purchased goodwill (prior to the introduction of FRS 10) are written off directly against reserves. Since the introduction of FRS 10, goodwill, representing the excess of the purchase price compared with the fair value of net assets acquired, is capitalised and written off evenly over 5 years, subject to provision made for impairment, as in the opinion of directors this presents the period over which goodwill is effective.

Investments

Investments in Designplan Management Services Limited company balance sheet are included at cost less provision for diminution in value.

Turnover

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

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2007

(continued)

1 Principal accounting policies (continued)

Depreciation

Depreciation of tangible fixed assets is charged 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, which are as follows -

Freehold property	-	40 years
Leasehold property	-	Over period of lease
Computerised plant and machinery	-	3 years
Other plant, machinery and tools	-	3 - 10 years
Office equipment, fixtures and fittings	-	5 - 10 years
Motor vehicles	-	5 years

Finance leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the cost at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in accordance a reducing balance method and charged to the profit and loss account.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

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.

Investment income

Income from lease of properties is included in the profit and loss as they accrue.

Research and development

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

The financial statements of overseas subsidiary companies are translated into sterling at the closing rates of exchange at the balance sheet date and the difference arising from the translation of opening net investment at the closing rate is taken direct to reserves.

All other translation differences are dealt with in the profit and loss account.

Defined contribution pension fund

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

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2007

(continued)

1 Principal accounting policies (continued)

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.

Constructive obligations under various onerous contracts

Obligations are recognised under various onerous contracts on the date an onerous obligation liability becomes probable. This is an estimation by the directors and is based on contracts and actual claims experience to date.

Liquid resources

Treasury deposits on the Money Market are classed within the cashflow statement as cash movements when they relate to short term deposits repayable within 24 hours. Treasury deposits between 2 days and one year are included within liquid resources as net cash inflows or outflows.

2 Turnover

	2007	2006
	£	£
United Kingdom	11,222,599	12,071,649
Europe	803,624	192,716
North America	3,136,537	3,050,833
Far East	37,419	35,513
Other	308,950	466,623
	<u>15,509,129</u>	<u>15,817,334</u>

3 Exceptional item

Stock allocation in UK subsidiary	154,100	-
Stock provision in overseas subsidiary	100,472	-
	<u>254,572</u>	<u>-</u>

During the year the company highlighted inconsistencies in the allocation of stock between work in progress and raw materials over a number of years. As a result of correcting this split a revision to the calculation of overhead costs carried forward in stock was required. This had an adverse affect on the result for the year and has reduced profit by £154,100.

During the year an overseas subsidiary determined that the stock balance included items that could not be sold or otherwise utilised within the business and therefore had no value to the business. A provision against these items was recognised in the year.

4 Other operating income

	2007	2006
	£	£
Rent receivable	138,860	116,516
Other	-	-
	<u>138,860</u>	<u>116,516</u>

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2007

(continued)

	2007 £	2006 £
5 Operating profit		
Operating profit is stated after charging/(crediting)		
Depreciation		
- owned assets	360,216	372,698
- assets held under finance leases and hire purchase contracts	109,297	222,511
Amortisation of goodwill	59,329	51,978
Goodwill impairment	66,160	-
(Profit)/loss on fixed asset disposal	358	(9,789)
Operating leases		
- plant and machinery hire	3,161	2,990
- other assets	320,178	300,557
Net foreign exchange (gains)	(138,311)	(134,419)
Group auditors' remuneration		
- audit	41,000	40,000
- other services	43,700	56,250

The total amount charged against profits in respect of finance leases and hire purchase contracts is £110,684 (2006 £277,643) of which part is shown as depreciation and the balance is shown as interest payable in note 8

	2007 No	2006 No
6 Directors and employees		
The average number of persons employed by the group (including executive directors) during the year was		
Production	137	140
Sales	57	17
Administration	22	68
	<u>216</u>	<u>225</u>
The aggregate staff costs were	£	£
Wages and salaries	4,881,724	5,369,146
Social security costs	491,699	536,876
Other pension costs	195,340	151,691
	<u>5,568,763</u>	<u>6,057,713</u>

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2007

(continued)

	2007 £	2006 £
6 Directors and employees (continued)		
Directors		
Directors' emoluments		
- emoluments	452,040	439,379
- pension contributions	44,000	25,000
	<u>496,040</u>	<u>464,379</u>
 Highest paid director - emoluments	 234,288	 253,032
- pension contributions	22,000	3,000
	<u>256,288</u>	<u>256,032</u>
 Defined contribution pension funds		
<p>The group operates three types of defined contributions pension scheme. Two of these are funded defined contribution group 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 £151,340 (2006 £126,691).</p> <p>The group's other scheme is a defined contribution pension fund. The assets of the fund are held separately from those of the company in an independently administered fund. Two directors (2006 two) benefited from this fund as at the year end. The pension cost charge payable by the group to the pension scheme amounted to £44,000 (2006 £25,000).</p>		
	2007 £	2006 £
7 Interest receivable		
Bank interest	97,074	68,116
Other interest	1,940	53
	<u>99,014</u>	<u>68,169</u>
 8 Interest payable		
Bank loan and overdrafts	154,089	67,050
Hire purchase contracts	1,387	5,132
Directors' loan account interest	54,362	52,994
Pension fund loan	-	-
Other interest	3,181	3,608
	<u>213,019</u>	<u>128,784</u>

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2007

(continued)

9	Taxation	2007 £	2006 £
	a) Analysis of change in year		
	Current UK tax		
	- Corporation tax on profits of the year	186,760	144,225
	- Adjustment in respect of prior years	(181)	1,686
		<u>186,579</u>	<u>145,911</u>
	Current foreign tax		
	- Tax for year	5,558	42,616
	- Foreign deferred	6,430	(16,096)
		<u>11,988</u>	<u>26,520</u>
	Total current tax	<u>198,567</u>	<u>172,431</u>
	Deferred tax		
	- Origination of timing differences	(11,824)	(6,588)
	- Industrial buildings allowance	-	(265,900)
	Tax on profit on ordinary activities	<u>186,743</u>	<u>(100,057)</u>

Industrial buildings allowance balancing charge previously provided against in deferred tax has been written back as an exceptional tax credit in the prior year as a result of change in legislation

b) Factors that may affect future tax changes

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

The group has brought and carried forward capital losses £160,948 (2006 £160,948) and trading losses which could significantly reduce tax payments in future years

The group's overseas tax rates are different from these in the UK and the group expects an increase in the future rates charged overseas

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2007
(continued)

9	Taxation (continued)	2007 £	2006 £
	c) Factors affecting tax charge for the year		
	The current tax assessed for the year is higher than the standard rate of corporation tax in the United Kingdom of 30% (2006 30%) as explained below		
	Profit on ordinary activities before tax	327,849	298,186
	Profit on ordinary activities multiplied by the standard rate of UK corporation tax of 30 % (2006 30%)	98,355	89,456
	Effects of		
	- Net expenses not deductible for tax purposes	57,838	62,716
	- Capital allowances in deficit of depreciation	30,695	296,487
	- Industrial building allowable timing difference	-	(265,900)
	- Unrelieved tax losses	13,766	-
	- Overseas earnings	(5,990)	(29,861)
	- Marginal relief	(7,904)	(8,866)
	- Other adjustments	-	193
		186,760	144,225
	Adjustments in respect of prior years	(181)	1,686
	Current UK tax	186,579	145,911
10	Intangible fixed assets	Goodwill £	
	Cost		
	At 1 January 2007	270,391	
	Additions	73,511	
	At 31 December 2007	343,902	
	Amortisation		
	At 1 January 2007	62,478	
	Charge for the year	59,329	
	Impairment	66,160	
	At 31 December 2007	187,967	
	Net book value		
	31 December 2007	155,935	
	31 December 2006	207,913	

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2007

(continued)

11 Tangible fixed assets

Group	Land and buildings £	Plant, machinery and tools £	Computer, furniture and fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2007	3,004,257	3,923,544	1,141,993	92,064	8,161,858
Additions	743,664	112,010	60,079	-	915,753
Disposals	-	(7,336)	(3,232)	(22,255)	(32,823)
Exchange movement	(5,109)	(3,697)	(1,248)	-	(10,054)
At 31 December 2007	3,742,812	4,024,521	1,197,592	69,809	9,034,734
Accumulated depreciation					
At 1 January 2007	819,785	3,456,349	969,503	37,229	5,282,866
Charged for the year	62,109	298,700	94,639	14,065	469,513
Disposals	-	(5,842)	(2,989)	(11,974)	(20,805)
Exchange movement	(858)	(3,492)	(587)	-	(4,937)
At 31 December 2007	881,036	3,745,715	1,060,566	39,320	5,726,637
Net book value					
31 December 2007	2,861,776	278,806	137,026	30,489	3,308,097
31 December 2006	2,184,472	467,195	172,490	54,835	2,878,992

The net book value of land and buildings includes:

	Cost £	Accumulated depreciation £	Net book value £
Freehold property	312,562	57,060	255,502
Long leaseholds	2,158,745	294,452	1,864,293
Short leaseholds	1,271,505	529,524	741,981
	3,742,812	881,036	2,861,776

The net book value of fixed assets, plant, machinery and tools includes £nil (2006 £179,826) for which depreciation charged on assets under finance leases in the year amounted to £109,297 (2006 £222,511)

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2007

(continued)

11 Tangible fixed assets (continued)

Company

	Land and buildings £
Cost	
At 1 January 2007	2,701,552
Additions	728,698
31 December 2007	<u>3,430,250</u>
Accumulated depreciation	
At 1 January 2007	768,865
Charged for the year	54,931
At 31 December 2007	<u>823,976</u>
Net book value	
31 December 2007	<u>2,606,274</u>
31 December 2006	<u>1,932,687</u>

The net book value of land and buildings includes:

	Cost £	Accumulated depreciation £	Net book value £
Long leaseholds	2,158,745	294,452	1,864,293
Short leaseholds	1,271,505	529,524	741,981
	<u>3,430,250</u>	<u>823,976</u>	<u>2,606,274</u>

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2007

(continued)

12 Fixed asset investments

Company	Subsidiaries
Shares in group undertakings	£
Cost	
At 1 January 2007	1,260,350
Additions	55,000
At 31 December 2007	<u>1,315,350</u>
Provisions	
At 1 January 2007	259,941
Charged for the year	55,000
At 31 December 2007	<u>314,941</u>
Net book value	
31 December 2007	<u>1,000,409</u>
31 December 2006	<u>1,000,409</u>
	£
Assets acquired	
Fixed assets	9,765
Stock	30,695
Debtors	527
Other creditors and accruals	(411,202)
	<u>(370,215)</u>
Acquisition of additional 5% of share of One 2 See Signs Ltd	(18,511)
Consideration	55,000
Goodwill arising on subsidiary acquisition	<u>73,511</u>

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2007

(continued)

12 Fixed asset investments (continued)

Company

The company holds the equity share capital of the following

Name of undertaking	Country of incorporation	Class of share	Proportion held	Nature of business
Subsidiaries				
Designplan Lighting Limited	England	Ordinary	100%	Design and manufacture of light fittings, uplighters and luminaires
Richmond Plastics Limited	England	Ordinary	100%	Dormant
One 2 See Signs Limited (formerly One2See Dp Limited)	England	Ordinary	55%	Illuminated road signs

Group

The group holds the equity share capital (in addition to the above) of the following companies via its subsidiary undertakings

Name of undertaking	Country of incorporation	Class of share	Group equity held	Nature of business
Designplan International Limited	England	Ordinary	82½%	Lighting wholesaler
Steelplan Kitchens Limited	England	Ordinary	100%	Design and manufacture of Kitchens
Charisma Lighting Limited	England	Ordinary	100%	Dormant
Designplan Lighting Inc	USA	Ordinary	62%	Design, manufacture and sale of lighting fittings
FP Realty LLP	USA	Ordinary	55%	Property

In addition the group has consolidated the following entities as it operates a dominant influence on these entities and they are managed on a unified basis.

Richmond Lighting Limited	England	Ordinary	0%	Design and manufacture of lighting controls
---------------------------	---------	----------	----	---

All the above subsidiary undertakings are included in the consolidated financial statements

After the year end the ownership of shares in two of the above companies changed as follows. On 30 April 2008 the shares held in One 2 See Signs Limited were acquired by D A Cumper and M J Cumper in equal proportions by way of a distribution in species. On 24 June 2008 the shares in Steelplan Kitchens Limited were acquired by D A Cumper and M J Cumper in equal proportions.

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2007
(continued)

	Group		Company	
	2007 £	2006 £	2007 £	2006 £
13 Stocks				
Raw materials	1,798,064	1,827,750	-	-
Work in progress	483,916	902,802	-	-
Finished goods	917,061	737,173	-	-
	<u>3,199,041</u>	<u>3,467,725</u>	<u>-</u>	<u>-</u>
14 Debtors: amounts falling due within one year				
Trade debtors	3,149,295	3,374,153	-	-
Amounts due from group undertakings	-	-	91,172	264,481
Other debtors	18,817	53,766	-	-
Prepayments and accrued income	301,268	206,770	11,050	2,299
	<u>3,469,380</u>	<u>3,634,689</u>	<u>102,222</u>	<u>266,780</u>
15 Debtors: amounts falling due after more than one year				
Other debtors	-	2,020	-	-
	<u>-</u>	<u>2,020</u>	<u>-</u>	<u>-</u>
16 Creditors: amounts falling due within one year				
Bank loans and overdrafts	1,269,651	2,213,458	25,905	-
Trade creditors	1,423,588	1,390,213	-	-
Amounts owed to group undertakings	-	-	640,109	659,193
Corporation tax	113,057	58,698	13,125	1,500
Other taxation and social security	330,654	299,579	33,654	9,600
Directors' loan accounts	120,640	67,600	120,640	67,600
Other loan	-	37,500	-	-
Hire purchase contracts	-	68,892	-	-
Other creditors	1,875	1,960	-	-
Accruals and deferred income	492,747	497,883	124,447	138,261
	<u>3,752,212</u>	<u>4,635,783</u>	<u>957,880</u>	<u>876,154</u>

The bank loans and overdrafts are secured against the group and company's leasehold properties

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2007
(continued)

	Group		Company	
	2007 £	2006 £	2007 £	2006 £
17 Creditors: amounts falling due after more than one year				
Bank loans and overdrafts	664,299	141,329	591,504	-
Directors' loan account	800,000	900,000	800,000	900,000
	<u>1,464,299</u>	<u>1,041,329</u>	<u>1,391,504</u>	<u>900,000</u>
Bank loans are repayable:				
In the next year	89,052	64,232	25,905	-
In the second to fifth year	195,411	141,329	122,616	-
In more than 5 years	468,888	-	468,888	-
	<u>753,351</u>	<u>205,561</u>	<u>617,409</u>	<u>-</u>

There are 2 bank loans both of which are secured on the group's freehold property. One loan is at an interest rate of 1.25% per annum above the bank's US\$ bank base rate. The other is at an interest rate of 1.60% above the bank's UK base rate.

	Group		Company	
	2007 £	2006 £	2007 £	2006 £
Other loan is repayable				
In next year	-	37,500	-	-

Obligations under finance leases and hire purchase contracts are repayable over varying periods by monthly instalments as follows:

	Group		Company	
	2007 £	2006 £	2007 £	2006 £
In the next year	-	68,892	-	-
18 Provisions for liabilities and charges				
		1 January 2007	Transfer to profit and loss accounts	31 December 2007
Group		£	£	£
Unfunded pensions to former employees		511,000	(57,000)	454,000
Constructive obligations under various onerous contracts		151,220	(2,010)	149,210
		<u>662,220</u>	<u>(59,010)</u>	<u>603,210</u>
Deferred tax		(309,469)	(4,415)	(313,884)
		<u>352,751</u>	<u>(63,425)</u>	<u>289,326</u>

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2007

(continued)

18 Provisions for liabilities and charges (continued)

Company	1 January 2007 £	Transfer to profit and loss accounts £	Transfer to group undertakings £	31 December 2007 £
Unfunded pensions to former employees	511,000	-	(57,000)	454,000
Deferred tax	(143,100)	-	16,000	(127,100)
	<u>367,900</u>	<u>-</u>	<u>(41,000)</u>	<u>326,900</u>

A provision has been recognised for the unfunded pension costs payable to former employees. These costs are expected to be incurred over the next 10 years. The provision has been calculated with reference to present value annuity costs.

19 Deferred tax

	2007 £	2006 £
Group asset		
Accelerated capital allowances	(110,053)	(81,645)
Former employees pension	(127,120)	(143,080)
	<u>(237,173)</u>	<u>(224,725)</u>
Foreign tax	(76,711)	(84,744)
	<u>(313,884)</u>	<u>(309,469)</u>
Company asset		
Former employees pension	(127,100)	(143,100)
	<u>(127,100)</u>	<u>(143,100)</u>
	Group £	Company £
Asset at 31 December 2006	(309,469)	(143,100)
Deferred tax charge in the profit and loss account for the year	(4,415)	-
Transfer from group undertakings	-	16,000
	<u>(4,415)</u>	<u>16,000</u>
Asset at 31 December 2007	<u>(313,884)</u>	<u>(127,100)</u>

The provision is based on a corporation tax rate of 28% (2006 28%). Group deferred tax on capital tax losses of £48,300 (2006 £48,300) are not included in the balance sheet as there is presently no likelihood of recovery.

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2007

(continued)

20	Called up share capital			2007	2006
				£	£
	Authorised				
	500,000 ordinary shares of £1 each			500,000	500,000
				<u> </u>	<u> </u>
	Allotted, called up and fully paid				
	360,400 ordinary shares of £1 each			360,400	360,400
				<u> </u>	<u> </u>
21	Profit and loss account				
				2007	2006
				£	£
	Group retained profit for the year				
	Retained by				
	Holding company				
	- Profit/ (loss) after tax	28,209			(4,317)
	Subsidiaries				
	- (Loss)/ Profit after tax	(8,965)			290,884
		<u>19,244</u>			<u>286,567</u>
22	Shareholders' funds				
		Share capital	Merger capital	Profit & loss account	Shareholders' funds
		£	£	£	£
	Group				
	31 December 2006	360,400	214,575	4,903,991	5,478,966
	Profit for the year	-	-	19,244	19,244
	Exchange gain	-	-	(1,798)	(1,798)
	Deficit on minority interest	-	-	18,501	18,501
	31 December 2007	<u>360,400</u>	<u>214,575</u>	<u>4,939,938</u>	<u>5,514,913</u>
	Company				
	31 December 2006	360,400	-	2,014,331	2,374,731
	Profit for the year	-	-	28,209	108,209
	31 December 2007	<u>360,400</u>	<u>-</u>	<u>2,042,540</u>	<u>2,482,940</u>

Consolidated goodwill arising on acquisitions prior to the introduction of FRS 10 have been written off against reserves amounted to £124,000 (2006 £124,000) Goodwill arising on consolidation in the year has been capitalised (note 10)

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2007

(continued)

23 Related parties transactions

D A Cumper and M J Cumper hold a controlling interest in the group ("Management")

During the year to 31 December 2007 the following transactions took place between them

- (i) D A Cumper and M J Cumper received £54,362 (2006 £52,994) in directors loan interest during the year

24	Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2007 £	Restated 2006 £
	Operating profit	384,854	397,819
	Depreciation	469,513	595,209
	Loss/ (profit) on disposal	358	(9,789)
	Amortisation	125,489	51,978
	Net exchange variations	(1,194)	(8,739)
	Investment income	(138,860)	(116,516)
	Associate related transactions	-	(97,856)
	Decrease/ (increase) in stocks	268,684	(98,709)
	Decrease/ (increase) in debtors	167,329	(673,750)
	Increase/ (decrease) in creditors	112,278	(227,602)
	Decrease in provisions	(2,010)	(19,860)
	Net cash inflow/ (outflow) from operating activities	1,386,441	(207,815)

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2007

(continued)

	Bank loan £	Other loans £	Finance leasing £	Total £
25	Analysis of changes in financing during the year			
31 December 2005	304,843	987,500	250,356	1,542,699
Non cash flow movement				
- Loan advances				
- exchange variation	(35,671)	-	-	(35,671)
Net cash outflow from financing	(63,611)	(50,000)	(181,464)	(295,075)
31 December 2006	205,561	937,500	68,892	1,211,953
Non cash flow movement				
- exchange variation	(3,470)	-	-	(3,470)
Net cash inflow/ (outflow) from financing	551,260	(137,500)	(68,892)	344,868
31 December 2007	753,351	800,000	-	1,553,351
26	Analysis of balances of cash as shown in the balance sheet			
	Cash at bank and in hand £	Bank overdrafts £	Total £	
31 December 2006	1,833,256	(2,149,226)	(315,970)	
Movement in liquid assets	40,000	-	40,000	
Net cash inflow for the year	(348,355)	968,627	620,272	
31 December 2007	1,524,901	(1,180,599)	344,302	

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2007

(continued)

28 Guarantees and other financial commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31 December 2008

Group	2007		2006	
	Land & buildings £	Other £	Land & buildings £	Other £
Expiring				
Within one year	-	12,433	-	25,760
In two to five years	-	152,045	-	82,561
After five years	156,180	-	133,180	-
	<u>156,180</u>	<u>164,478</u>	<u>133,180</u>	<u>108,321</u>

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 advance at 31 December 2007 totalled £1,180,898 (2006 £1,881,577)

Richmond Lighting Limited
Designplan Lighting Limited
Designplan International Limited
One 2 See Signs Limited

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2007

(continued)

28 Guarantees and other financial commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31 December 2007

Group	2007		2006	
	Land & buildings £	Other £	Land & buildings £	Other £
Expiring				
Within one year	-	12,433	-	25,760
In two to five years	-	152,045	-	82,561
After five years	156,180	-	133,180	-
	<u>156,180</u>	<u>164,478</u>	<u>133,180</u>	<u>108,321</u>

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 advance at 31 December 2007 totalled £1,180,898 (2006 £1,881,577)

Richmond Lighting Limited
Designplan Lighting Limited
Designplan International Limited
One2See Limited