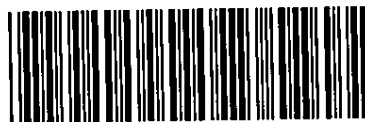


DESIGNPLAN MANAGEMENT SERVICES LIMITED

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2008

TUESDAY



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DESIGNPLAN MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT

31 December 2008

The directors present their report and the audited financial statements for the year ended 31 December 2008.

Principal activity

The principal activity of the group is the design, manufacture and sale of light fittings both in the home and export markets and the design, manufacture and sale of steel kitchens and lighting control systems in the home market.

Business review

The results of the group are much improved on the previous year despite increases in competition and changing markets. A proportion of the improvement is due to the movement in exchange rates making the values from the operation in the United States higher and the profits generated from imports greater.

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

We are confident that the group will remain profitable during the next year despite the economic conditions and we shall continue to try to maintain and improve our performance in all areas against anticipated increased competition.

Post year end activity

No matters to note.

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 political donations totalling £2,000 to the Conservative Party.

Auditor

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

DESIGNPLAN MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT

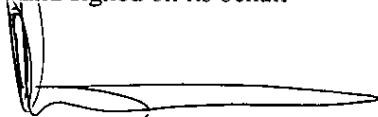
31 December 2008

(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
Director

28 July 2009

Wealdstone Road
Kimpton Industrial Estate
Sutton
Surrey
SM3 9RW

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 28.

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

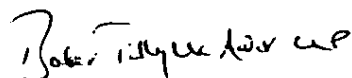
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 2008 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

28 July 2009

DESIGNPLAN MANAGEMENT SERVICES LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2008

	Note	2008 £	2007 £
Turnover	2	18,899,953	15,509,129
Cost of sales	3	(9,686,093)	(7,885,741)
Gross profit		9,213,860	7,623,388
Distribution costs		(2,260,618)	(1,893,842)
Administrative expenses (including foreign exchange gains £507,858 : 2007 £138,311)		(5,514,617)	(5,483,552)
Other operating income	4	193,771	138,860
Operating profit	5	1,632,396	384,854
Decrease in provision for pensions to former employees	17	-	57,000
Profit on disposal of subsidiaries		433,021	-
Profit on ordinary activities before interest		2,065,417	441,854
Interest receivable	7	75,642	99,014
Interest payable	8	(142,854)	(213,019)
Profit on ordinary activities before taxation		1,998,205	327,849
Tax on profit on ordinary activities	9	(507,357)	(186,743)
Profit on ordinary activities after taxation		1,490,848	141,106
Minority interest in profit (equity)		(272,206)	(121,862)
Minority interest in loss		10,817	-
Profit for the year	20	1,229,459	19,244

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

The profit for the year arises from the group's continuing activities.

DESIGNPLAN MANAGEMENT SERVICES LIMITED

CONSOLIDATED STATEMENT OF TOTAL

RECOGNISED GAINS AND LOSSES

for the year ended 31 December 2008

	2008 £	2007 £
Profit for the financial year	1,229,459	19,244
Currency transaction differences on foreign currency net investments	41,651	(1,798)
Deficit on minority interests	-	18,501
Total gains and losses recognised relating to the year	<u>1,271,110</u>	<u>35,947</u>

CONSOLIDATED NOTE OF HISTORICAL

COST PROFITS AND LOSSES

for the year ended 31 December 2008

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 2008

	Note	2008		2007	
		£	£	£	£
Fixed assets					
Intangible assets	10		103,957		155,935
Tangible assets	11		3,274,521		3,308,097
			<u>3,378,478</u>		<u>3,464,032</u>
Current assets					
Stocks	13	3,459,357		3,199,041	
Deferred tax	18	339,432		313,884	
Debtors: due within one year	14	4,501,620		3,469,380	
Cash at bank and in hand		1,814,702		1,524,901	
		<u>10,115,111</u>		<u>8,507,206</u>	
Creditors: amounts falling due within one year	15	<u>4,567,167</u>		<u>3,752,212</u>	
Net current assets			<u>5,547,944</u>		<u>4,754,994</u>
Total assets less current liabilities			<u>8,926,422</u>		<u>8,219,026</u>
Creditors: amounts falling due after more than one year	16	1,056,658		1,464,299	
Provisions for liabilities	17	<u>595,457</u>		<u>603,210</u>	
			<u>1,652,115</u>		<u>2,067,509</u>
			<u>7,274,307</u>		<u>6,151,517</u>
Capital and reserves					
Called up share capital	19		360,400		360,400
Merger capital			214,575		214,575
Profit and loss account	20		6,211,048		4,939,938
Shareholders' funds	21		6,786,023		5,514,913
Minority interest (equity)			488,284		636,604
			<u>7,274,307</u>		<u>6,151,517</u>

The financial statements on pages 5 to 28 were approved and authorised for issue by the board of directors on 28 July 2009 and signed on its behalf by


M J Cumper
Director

DESIGNPLAN MANAGEMENT SERVICES LIMITED

COMPANY BALANCE SHEET

at 31 December 2008

	Note	£	2008	£	£	2007	£
Fixed assets							
Tangible assets	11		2,558,686			2,606,274	
Investments	12		1,000,509			1,000,409	
			<u>3,559,195</u>			<u>3,606,683</u>	
Current assets							
Deferred tax asset	18	123,057			127,100		
Debtors: due within one year	14	199,394			102,222		
Cash at bank and in hand		1,215,713			1,370,319		
		<u>1,538,164</u>			<u>1,599,641</u>		
Creditors: amounts falling due within one year	15	1,061,859			957,880		
Net current assets			476,305			641,761	
Total assets less current liabilities			<u>4,035,500</u>			<u>4,248,444</u>	
Creditors: amounts falling due after more than one year	16		1,056,658			1,391,504	
Provisions for liabilities	17		435,000			454,000	
			<u>2,543,842</u>			<u>2,402,940</u>	
Capital and reserves							
Called up share capital	19		360,400			360,400	
Profit and loss account	20		2,183,442			2,042,540	
			<u>2,543,842</u>			<u>2,402,940</u>	

The financial statements on pages 5 to 28 were approved and authorised for issue by the board of directors on 28 July 2009 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 2008

	Note	2008 £	2007 £
Net cash inflow from operating activities	23	893,409	1,386,441
Returns on investment and servicing of finance			
Interest received		75,642	99,014
Rental income		193,771	138,860
Interest paid		(136,976)	(211,632)
Interest element of finance lease rental		(5,878)	(1,387)
Net cash inflow from returns on investment and servicing of finance		126,559	24,855
Taxation			
Net corporation tax paid		(243,263)	(136,799)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(233,214)	(915,753)
Receipts from sale of tangible fixed assets		10,996	11,660
Acquisitions and disposals		(222,218)	(904,093)
Purchase of shares in subsidiary undertaking		-	(55,000)
Sale of subsidiary		56	-
Management of liquid resources			
Payments to short term deposits	25	(50,000)	(40,000)
Net cash inflow before financing		504,543	275,404
Financing			
Advance on bank loans		-	630,000
Repayment of borrowings		(414,532)	(216,240)
Capital element of finance lease rentals		-	(68,892)
Net cash (outflow)/inflow from financing	24	(414,532)	344,868
Increase in cash in the year	25	90,011	620,272

DESIGNPLAN MANAGEMENT SERVICES LIMITED
NOTES ON FINANCIAL STATEMENTS

31 December 2008

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 2008. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 230 of the Companies Act 1985.

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 2008

(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 2008

(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.

Share based payments

The Company issued equity-settled share based payments to certain employees and has applied the disclosure requirements of FRS 20 "share based payments". As disclosed in note 27 no provision is made for the charge in the year due to the amount being immaterial to the results of the company.

2 Turnover

	2008	2007
	£	£
United Kingdom	13,158,559	11,222,599
Europe	1,247,366	803,624
North America	4,463,035	3,136,537
Far East	27,106	37,419
Other	3,887	308,950
	<u>18,899,953</u>	<u>15,509,129</u>

3 Exceptional item

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

During the prior year the company hi-lighted 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 prior 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

	2008	2007
	£	£
Rent receivable	<u>193,771</u>	<u>138,860</u>

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2008
(continued)

	2008 £	2007 £
5 Operating profit		
Operating profit is stated after charging/(crediting)		
Depreciation		
- owned assets	377,210	360,216
- assets held under finance leases and hire purchase contracts	-	109,297
Amortisation of goodwill	51,978	59,329
Goodwill impairment	-	66,160
(Profit)/loss on fixed asset disposal	(5,179)	358
Operating leases		
- plant and machinery hire	10,917	3,161
- other assets	336,144	320,178
Net foreign exchange gains	(507,858)	(138,311)
Group auditors' remuneration		
- audit	38,000	41,000
- other services	46,960	43,700

The total amount charged against profits in respect of finance leases and hire purchase contracts is £5,878 (2007: £110,684) of which part is shown as depreciation and the balance is shown as interest payable in note 8.

	2008 No	2007 No
6 Directors and employees		
The average number of persons employed by the group (including executive directors) during the year was		
Production	137	137
Sales	69	57
Administration	25	22
	<u>231</u>	<u>216</u>

	£	£
The aggregate staff costs were		
Wages and salaries	5,450,492	4,881,724
Social security costs	518,661	491,699
Other pension costs	141,025	195,340
	<u>6,110,178</u>	<u>5,568,763</u>

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2008

(continued)

	2008 £	2007 £
6 Directors and employees (continued)		
Directors		
Directors' emoluments		
- emoluments	417,984	452,040
- pension contributions	44,000	44,000
	<u>461,984</u>	<u>496,040</u>
Highest paid director - emoluments	216,879	234,288
- pension contributions	22,000	22,000
	<u>238,879</u>	<u>256,288</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 £97,025 (2007: £151,340).</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 (2007: 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 (2007: £44,000).</p>		
	2008 £	2007 £
7 Interest receivable		
Bank interest	74,456	97,074
Other interest	1,186	1,940
	<u>75,642</u>	<u>99,014</u>
8 Interest payable		
Bank loan and overdrafts	98,198	154,089
Hire purchase contracts	5,878	1,387
Directors' loan account interest	38,778	54,362
Other interest	-	3,181
	<u>142,854</u>	<u>213,019</u>

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2008
(continued)

9	Taxation	2009 £	2008 £
	a) Analysis of change in year		
	Current UK tax		
	- Corporation tax on profits of the year	460,793	186,760
	- Adjustment in respect of prior years	(871)	(181)
		<u>459,922</u>	<u>186,579</u>
	Current foreign tax		
	- Tax for year	43,476	5,558
	- Foreign deferred	13,703	6,430
		<u>57,179</u>	<u>11,988</u>
	Total current tax	517,101	198,567
	Deferred tax		
	- Origination of timing differences	(9,744)	(11,824)
	- Industrial buildings allowance	-	-
		<u>-</u>	<u>-</u>
	Tax on profit on ordinary activities	<u>507,357</u>	<u>186,743</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 (2007: £160,948) and trading losses carried forward 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 2008

(continued)

9	Taxation (continued)	2008 £	2007 £
	c) Factors affecting tax charge for the year		
	The current tax assessed for the year is higher than the effective standard rate of corporation tax in the United Kingdom of 28.5% (2007: 30%) as explained below.		
	Profit on ordinary activities before tax	1,998,205	327,849
	Profit on ordinary activities multiplied by the effective standard rate of UK corporation tax of 28.5% (2007: 30%)	569,488	98,355
	Effects of		
	- Net expenses not deductible for tax purposes	59,771	57,838
	- Income not taxable	(135,259)	-
	- Capital allowances in deficit of depreciation	12,000	30,695
	- Unrelieved tax losses	7,114	13,766
	- Overseas earnings	(48,748)	(5,990)
	- Marginal relief	(885)	(7,904)
	- Short term timing differences	3,167	-
	- Other adjustments	(5,855)	-
	Adjustments in respect of prior years	460,793 (871)	186,760 (181)
	Current UK tax	459,922	186,579
10	Intangible fixed assets	Goodwill £	
	Cost		
	At 1 January 2008	343,902	
	Disposals	(84,011)	
	At 31 December 2008	259,891	
	Amortisation		
	At 1 January 2008	187,967	
	Charge for the year	51,978	
	Disposal	(84,011)	
	At 31 December 2008	155,934	
	Net book value		
	31 December 2008	103,957	
	31 December 2007	155,935	

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

(continued)

11 Tangible fixed assets

Group	Land and buildings £	Plant, machinery and tools £	Computer, furniture and fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2008	3,742,812	4,024,521	1,197,592	69,809	9,034,734
Additions	7,660	137,289	60,664	27,601	233,214
Disposals	-	-	-	(20,526)	(20,526)
Exchange movement	120,233	85,048	28,892	-	234,173
At 31 December 2008	3,870,705	4,246,858	1,287,148	76,884	9,481,595
Accumulated depreciation					
At 1 January 2008	881,036	3,745,715	1,060,566	39,320	5,726,637
Charged for the year	65,092	224,313	76,163	11,643	377,211
Disposals	-	-	-	(14,709)	(14,709)
Exchange movement	21,949	79,570	16,416	-	117,935
At 31 December 2008	968,077	4,049,598	1,153,145	36,254	6,207,074
Net book value					
31 December 2008	2,902,628	197,260	134,003	40,630	3,274,521
31 December 2007	2,861,776	278,806	137,026	30,489	3,308,097

The net book value of land and buildings includes:

	Cost £	Accumulated depreciation £	Net book value £
Freehold property and leasehold improvements	432,795	88,853	343,942
Long leaseholds	2,166,405	327,892	1,838,513
Short leaseholds	1,271,505	551,332	720,173
	3,870,705	968,077	2,902,628

The net book value of fixed assets, plant, machinery and tools includes £nil (2007: £nil) for which depreciation charged on assets under finance leases in the year amounted to £nil (2007: £109,297).

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2008
(continued)

11 Tangible fixed assets (continued)

Company

	Land and buildings £
Cost	
At 1 January 2008	3,430,250
Additions	7,660
31 December 2008	<u>3,437,910</u>
Accumulated depreciation	
At 1 January 2008	823,976
Charged for the year	55,248
At 31 December 2008	<u>879,224</u>
Net book value	
31 December 2008	<u><u>2,558,686</u></u>
31 December 2007	<u><u>2,606,274</u></u>

The net book value of land and buildings includes:

	Cost £	Accumulated depreciation £	Net book value £
Long leaseholds	2,166,405	327,892	1,838,513
Short leaseholds	1,271,505	551,332	720,173
	<u>3,437,910</u>	<u>879,224</u>	<u><u>2,558,686</u></u>

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2008

(continued)

12 Fixed asset investments

Company	Subsidiaries
Shares in group undertakings	£
Cost	
At 1 January 2008	1,315,350
Additions	100
Disposals	(55,050)
At 31 December 2008	<u>1,260,400</u>
Provisions	
At 1 January 2008	314,941
Charged for the year	-
Disposals	(55,050)
At 31 December 2008	<u>259,891</u>
Net book value	
31 December 2008	<u>1,000,509</u>
31 December 2007	<u>1,000,409</u>

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2008

(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
Aether Lighting Limited	England	Ordinary	100%	Design and manufacture of architectural lighting

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
Designplan Lighting Inc	USA	Ordinary	62%	Design, manufacture and sale of lighting fittings
FP Realty LLP	USA	Ordinary	55%	Property
Designplan Leuchten	Germany	Ordinary	100%	Dormant

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
One 2 See Signs Limited	England	Ordinary	0%	Illuminated roadsigns
Steelplan Kitchens Limited	England	Ordinary	0%	Design and manufacture of Kitchens
Sparta Ventures Limited	England	Ordinary	0%	Dormant

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

On 30 April 2008 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 specie.

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2008

(continued)

12 Fixed asset investments (continued)

During the year the company acquired the entire issued share capital of Steelplan Kitchens Limited as a distribution in specie from Designplan Lighting Limited, a subsidiary of this company. The distribution had a value of £nil as this was the net book value of the investment held by Designplan Lighting Limited. The shareholding was subsequently distributed in specie to the 2 shareholders of this company in equal proportions when, on 24 June 2008, the shares in Steelplan Kitchens Limited were acquired by D A Cumper and M J Cumper in equal proportions.

The profit on disposal recognised in the profit and loss account for One 2 See Signs Limited and Steelplan Kitchens Limited was £428,177 and £8,874 respectively.

Charisma Lighting Limited, previously a 100% dormant subsidiary was dissolved during the year. A loss on disposal of £4,030 was recognised in the year.

	Group		Company	
	2008 £	2007 £	2008 £	2007 £
13 Stocks				
Raw materials	1,724,730	1,798,064	-	-
Work in progress	610,028	483,916	-	-
Finished goods	1,124,599	917,061	-	-
	<u>3,459,357</u>	<u>3,199,041</u>	<u>-</u>	<u>-</u>
14 Debtors: amounts falling due within one year				
Trade debtors	4,163,292	3,149,295	-	-
Amounts due from group undertakings	-	-	177,913	91,172
Other debtors	52,634	18,817	-	-
Prepayments and accrued income	285,694	301,268	21,481	11,050
	<u>4,501,620</u>	<u>3,469,380</u>	<u>199,394</u>	<u>102,222</u>
15 Creditors: amounts falling due within one year				
Bank loans and overdrafts	1,463,773	1,269,651	47,002	25,905
Trade creditors	1,616,120	1,423,588	-	-
Amounts owed to group undertakings	-	-	640,209	640,109
Corporation tax	402,699	113,057	82,922	13,125
Other taxation and social security	349,041	330,654	8,960	33,654
Directors' loan accounts	160,000	120,640	160,000	120,640
Other creditors	11,144	1,875	-	-
Accruals and deferred income	564,390	492,747	122,766	124,447
	<u>4,567,167</u>	<u>3,752,212</u>	<u>1,061,859</u>	<u>957,880</u>

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

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2008

(continued)

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
16 Creditors: amounts falling due after more than one year				
Bank loans and overdrafts	541,736	664,299	541,736	591,504
Directors' loan account	514,922	800,000	514,922	800,000
	<u>1,056,658</u>	<u>1,464,299</u>	<u>1,056,658</u>	<u>1,391,504</u>
Bank loans are repayable:				
In the next year	133,384	89,052	47,002	25,905
In the second to fifth year	205,547	195,411	205,547	122,616
In more than 5 years	336,189	468,888	336,189	468,888
	<u>675,120</u>	<u>753,351</u>	<u>588,738</u>	<u>617,409</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. Both loans are repayable by equal monthly instalments.

17 Provisions for liabilities and charges

Group	1 January 2008	Transfer to profit and loss accounts	31 December 2008
	£	£	£
Unfunded pensions to former employees	454,000	(19,000)	435,000
Constructive obligations under various onerous contracts	149,210	11,247	160,457
	<u>603,210</u>	<u>(7,753)</u>	<u>595,457</u>
Deferred tax	(313,884)	(25,548)	(339,432)
	<u>289,326</u>	<u>(33,301)</u>	<u>256,025</u>

Company	1 January 2008	Transfer to profit and loss accounts	Transfer to group undertakings	31 December 2008
	£	£	£	£
Unfunded pensions to former employees	454,000	-	(19,000)	435,000
Deferred tax	(127,100)	(1,257)	5,300	(123,057)
	<u>326,900</u>	<u>(1,257)</u>	<u>(13,700)</u>	<u>311,943</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.

A provision has also been recognised for obligations due to employees regarding potential claims under EEC directives for commission payments.

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2008
(continued)

18 Deferred tax

	2008 £	2007 £
Group asset		
Accelerated capital allowances	(122,005)	(110,053)
Former employees pension	(121,800)	(127,120)
Short term timing differences	(3,112)	-
	<u>(246,917)</u>	<u>(237,173)</u>
Foreign tax	(92,515)	(76,711)
	<u>(339,432)</u>	<u>(313,884)</u>
Company asset		
Accelerated capital allowances	(1,257)	-
Former employees pension	(121,800)	(127,100)
	<u>(123,057)</u>	<u>(127,100)</u>
	Group £	Company £
Asset at 31 December 2007	(313,884)	(127,100)
Deferred tax charge in the profit and loss account for the year	(25,548)	1,257
Transfer from group undertakings	-	(5,300)
Asset at 31 December 2008	<u>(339,432)</u>	<u>(123,057)</u>

The provision is based on a corporation tax rate of 28% (2007 28%). Group deferred tax on capital tax losses of £48,300 (2007 £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 2008
(continued)

19 Called up share capital

	2008 £	2007 £
Authorised		
500,000 ordinary shares of £1 each	500,000	500,000
Allotted, called up and fully paid		
360,400 ordinary shares of £1 each	360,400	360,400

20 Profit and loss account

	Group		Company	
	2008 £	2007 £	2008 £	2007 £
Group				
Balance at 1 January 2008	4,939,938	4,903,991	2,042,540	2,014,331
Profit for the financial year	1,229,459	19,244	140,902	28,209
Surplus on minority interests	-	18,501	-	-
Exchange adjustments on translation of opening balances of overseas subsidiary	41,651	(1,798)	-	-
At 31 December 2008	6,211,048	4,939,938	2,183,442	2,042,540

The profit after taxation retained by the parent company was £140,902 (2007 - £28,209)

Consolidated goodwill arising on acquisitions prior to the introduction of FRS 10 have been written off against reserves amounted to £124,000 (2007 £124,000).

21 Reconciliation of shareholders' funds

	2008 £	2007 £
Group		
Profit for the year	1,229,459	19,244
	1,229,459	19,244
Other recognised gains and losses relating to the year	41,651	16,703
Net addition to shareholders' funds	1,271,110	35,947
Opening shareholders' funds	5,514,913	5,478,966
Closing shareholders' funds	6,786,023	5,514,913

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2008
(continued)

22 Related parties transactions

D A Cumper and M J Cumper hold a controlling interest in the group by virtue of their shareholding in Designplan Management Services Limited ("Management").

During the year to 31 December 2008 the following transactions took place between them:

- (i) D A Cumper and M J Cumper received £38,778 (2007 £54,362) in directors loan interest during the year. At the balance sheet date the company owed £674,922 (2007 £920,640) in respect of the directors loans.
- (ii) A distribution in specie of 10,000 £1 ordinary shares was made to both D A Cumper and M J Cumper in the year. This represents a transfer of the entire share capital of Steelplan Kitchens Limited in the form of a non-cash asset distribution.

Designplan Lighting Limited ("Designplan") (a 100% owned subsidiary of Management) has an 82.5% share of Designplan International Limited ("International"). The following transactions took place:

International was charged a management fee of £143,708 (2007: £142,169) by Management. The amount due to Management at the year end was £nil (2007: £9,116).

International purchased goods for £659,228 (2007: £769,282) and received commission of £65,397 (2007: £76,916) from Designplan. The balance due to Designplan by International at the year end was £164,464 (2007: £195,654).

Steelplan Kitchens Limited is under unified management with Management. Steelplan Kitchens Limited was charged a management fee of £20,000 (2007: £20,000) by Management. The amount due to Management at the year end was £389,162 (2007: £165,607).

One 2 See Signs Limited (One 2 See) is under unified management with Management. The following transactions took place:

During the year One 2 See recharged costs totalling £60,353 to Designplan (2007: £nil). At 31 December 2008 One 2 See owed Designplan £19,964 (2007: £52,522).

MSW Associates (MSW) is a company owned by M Walters, who is a director and shareholder of One 2 See. During the year consultancy fees totalling £27,500 (2007: £8,250) and other expenses of £1,263 (2007: £nil) were charged by MSW to One 2 See. At 31 December 2008 One 2 See owed MSW £nil (2007: £2,750).

Battery Technology (Technology) is a company owned by B Gustar, who is a director and shareholder of One 2 See. During the year consultancy fees totalling £11,285 (2007 £3,787) were charged by Technology to One 2 See. There was no balance due to or from Technology at either year end.

Designplan Lighting Inc is a 75% subsidiary of International which is an 82.5% owned subsidiary of Management. Designplan Lighting Inc purchased goods for £302,640 (2007: £120,053) from International. Designplan Lighting Inc also paid interest to International of £16,135 (2007: £16,582). The gross amount due to International by Designplan Lighting Inc at the year end was £939,591 (2007: £690,635).

DESIGNPLAN MANAGEMENT SERVICES LIMITED
NOTES ON FINANCIAL STATEMENTS

31 December 2008
(continued)

22 Related parties transactions (continued)

Richmond Lighting Limited ("Richmond") is under unified management with Management. During the year ended 31 December 2008 the following transactions took place:

- (i) Richmond was charged a management fee of £30,000 (2007: £30,000) by Management. Richmond was charged rent of £16,596 (2007: £16,596) by Management. There was no balance due between Richmond and Management at either year end.
- (ii) The balance due to Designplan by Richmond at the year end was £45,414 (2007: due from Designplan to Richmond £94,906).

23 Reconciliation of operating profit to net	2008	2007
Cash inflow from operating activities	£	£
Operating profit	1,613,396	384,854
Depreciation	377,211	469,513
(Profit)/ loss on disposal	(5,179)	358
Amortisation	51,978	125,489
Net exchange variations	(108)	(1,194)
Investment income	(193,771)	(138,860)
(Increase)/ decrease in stocks	(260,316)	268,684
(Increase)/ decrease in debtors	(1,032,240)	167,329
Increase in creditors	331,191	112,278
Increase/ (decrease) in provisions	11,247	(2,010)
Net cash inflow from operating activities	893,409	1,386,441

	Bank loan £	Other loans £	Finance leasing £	Total £
24 Analysis of changes in financing during the year				
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
Non cash flow movement - exchange variation	51,223	-	-	51,223
Net cash outflow from financing	(129,454)	(285,078)	-	(414,532)
31 December 2008	675,120	514,922	-	1,190,042

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2008

(continued)

25 Analysis of balances of cash as shown in the balance sheet

	Cash at bank and in hand £	Bank overdrafts £	Total £
31 December 2007	1,524,901	(1,180,599)	344,302
Movement in liquid assets	50,000	-	50,000
Net cash inflow for the year	239,801	(149,790)	90,011
31 December 2008	<u>1,814,702</u>	<u>(1,330,389)</u>	<u>484,313</u>

Reconciliation of net cash flow to movement in net debt

	2008 £	2007 £
Increase in cash in the period	90,011	620,272
Cash outflow from increase in liquid resources	50,000	40,000
Cash outflow/ (inflow) from decrease/ (increase) in debt financing	414,532	(413,760)
Cash outflow from decrease in lease and HP financing	-	68,892
Exchange movements	(51,223)	3,470
Movement in net debt	<u>503,320</u>	<u>318,874</u>
Net debt brought forward	(1,209,049)	(1,527,914)
Net debt carried forward	<u>(705,729)</u>	<u>(1,209,049)</u>

DESIGNPLAN MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2008
(continued)

26 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 2009.

Group	2008		2007	
	Land & buildings £	Other £	Land & buildings £	Other £
Expiring				
Within one year	-	37,146	-	12,433
In two to five years	-	115,566	-	152,045
After five years	156,180	-	156,180	-
	<u>156,180</u>	<u>152,712</u>	<u>156,180</u>	<u>164,478</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 2008 totalled £1,330,389 (2007 £1,180,898).

Richmond Lighting Limited
Designplan Lighting Limited
Designplan International Limited
One 2 See Signs Limited
Steelplan Kitchens Limited
Aether Lighting Limited

27 Share options

In November 2008 a new EMI share option scheme was adopted. This discretionary scheme permits the grant of options to all eligible employees of the group. The options are exercisable upon a contingent sales price of the group at an unspecified future date, and expire 10 years after the date of the grant.

On 25 November 2008 18,968 options were granted over ordinary £1 shares and at 31 December 2008 these were all outstanding.

All the share options are exercisable for £1, the same as the par value of the shares.

The weighted average contractual life of the options as at 31 December 2008 was 9.92 years.

The exercise price and date is contingent on the sale of the group, no provision has been made for valuing the cost of the options under FRS 20 as the annual charge that would be applicable in the accounts is not material either to the subsidiary, where the charge would fall, or to the group results for the year.

None of the options have been granted to directors of the company.

28 Contingent liabilities

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 £207,261 (2007: £198,744).