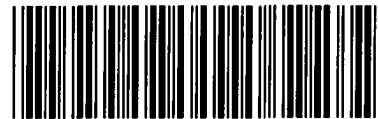


**Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31 December 2018
for
Lucent Lighting Holdings Limited**

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for the Year Ended 31 December 2018**

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**Company Information
for the Year Ended 31 December 2018**

DIRECTORS:	Mrs V A Dunk M J D Dunk Mrs L A Sidwell
REGISTERED OFFICE:	1345 High Road London N20 9HR
REGISTERED NUMBER:	10179714 (England and Wales)
SENIOR STATUTORY AUDITOR:	David Lewsley FCA
AUDITORS:	GREGORY WILDMAN Chartered Accountants Statutory Auditors The Granary Crowhill Farm Ravensden Road Wilden Bedfordshire MK44 2QS

**Group Strategic Report
for the Year Ended 31 December 2018**

The directors present their strategic report of the company and the group for the year ended 31 December 2018.

REVIEW OF BUSINESS

The group's trading results for the year are set out in the consolidated statement of comprehensive income on page 7. The position of the group at the year end is set out in the consolidated statement of financial position on page 8. The position of the parent company is set out in the company statement of financial position on page 9.

As shown in the groups statement of comprehensive income the turnover for the year of £13,001,181 has shown a 13.2% increase in turnover over the prior year which has resulted in a gross profit of £5,270,960 (2017 - £4,514,548) and a profit on ordinary activities before tax of £1,571,988 (2017 - £793,682).

The group continues to sustain its valuable position within the lighting market, new distributors have been appointed in Asia, Czech Republic, Iceland, Denmark and Morocco. The group has also seen positive growth in the US, namely within the New York market. The group continues to have significant new product developments ongoing and additional sales personnel both internal and external, help provide confidence to the Directors of future growth for the group.

PRINCIPAL RISKS AND UNCERTAINTIES

Credit risk

The group manages its credit risk through maintaining strong links with its customers. Management review credit terms and overdue balances regularly. The group takes payments in advance to mitigate credit risks on orders.

Foreign exchange risk

The functional currency is GB sterling. The directors believe that the main risk to the group is from fluctuations in the value of the Dollar, as most stock purchases are made in Dollars. The directors mitigate this risk by holding reserves of Dollars from sales made, and only transferring Dollars into GB sterling where there is an excess.

The group is exposed to a exchange rate risk on balances invoiced in US Dollars and Euros. Management monitor exposure to exchange rate risk and where appropriate will consider the use of hedging instruments.

Foreign exchange differences on the revaluation of foreign currency assets and liabilities are taken to the profit and loss account.

Liquidity and cashflow risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The group ensures that there are adequate funds available to meet its operational requirements.

Brexit

The decision of the UK to leave the European Union in the future may impact the business going forward. This process is still in its early stages and it is far too early to assess the consequences of this change.

FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The group's principal financial instruments comprise bank balances, including bank loans and overdrafts, trade debtors and trade creditors. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of an overdraft at floating rates of interest. The business' cash balances are held in such a way that achieves a competitive rate of interest.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditor's liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

ON BEHALF OF THE BOARD:


.....
Mrs V A Dunk - Director

Date: 5/9/19.....

**Report of the Directors
for the Year Ended 31 December 2018**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2018.

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2018 will be £748,478.

RESEARCH AND DEVELOPMENT

The group have recently joined the Lighting Industry Association and are working currently to ensure EN60598 compliance along with CB mark. Products have also been certified for Bureau of Indian Standards (BIS) to export in to India. The company has gained their ISO9001 accreditation and continues to deliver sustainable high levels of customer service and satisfaction.

The group has also been awarded a 56% (silver) scoring on the Ecovadis corporate social responsibility platform.

The group is also committed to launching a range of fire rated fixtures in 2019/2020 to complement the range.

FUTURE DEVELOPMENTS

The group continues throughout this year to further improve their offering of an Eco friendly product both in technical specification and packaging by reducing the need for non-recyclable plastic products. The group continues their commitment to release new products throughout the year, and will have a new range towards the end of 2019.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2018 to the date of this report.

Mrs V A Dunk
M J D Dunk

Other changes in directors holding office are as follows:

Mrs L A Sidwell was appointed as a director after 31 December 2018 but prior to the date of this report.

GOING CONCERN

The group's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, and its exposures to credit, foreign exchange and liquidity risk are described in the Strategic Report on page 2.

The group has considerable financial resources, together with a large database of customers and suppliers across different geographic areas. As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquires, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

**Report of the Directors
for the Year Ended 31 December 2018**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations and in accordance with United Kingdom Generally Accepted Accounting Practice.

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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and of the parent company, and of the profit or loss of the group and of the parent company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the group and the parent 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 adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, GREGORY WILDMAN, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Mrs V A Dunk - Director

Date: 5/9/19

**Report of the Independent Auditors to the Members of
Lucent Lighting Holdings Limited**

Qualified opinion

We have audited the financial statements of Lucent Lighting Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the basis for qualified opinion section, the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion on financial statements

With respect to stock in a subsidiary having a carrying amount of £589,836, the audit evidence to us was limited because whilst an expert was engaged to verify the stock take as at the 31st December 2018, the initial stock report provided to the expert was erroneous. There were also numerous errors and adjustments identified, but not reflected in the accounts, this rendered the count unreliable and a re-count was not considered to be practicable by the management.

In addition, errors in the company's stock system meant that we were also unable to verify the accuracy of the year-end valuation or the year end cut off.

Owing to the nature of the company's records, we are unable to obtain sufficient appropriate audit evidence regarding the stock quantities and cut off by using other audit procedures.

Consequently, we were unable to determine whether any adjustments to the stock carrying amount were necessary.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
Lucent Lighting Holdings Limited**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages three and four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 a Report of the Auditors 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.



David Lewsley FCA (Senior Statutory Auditor)
for and on behalf of GREGORY WILDMAN
Chartered Accountants
Statutory Auditors
The Granary
Crowhill Farm
Ravensden Road
Wilden
Bedfordshire
MK44 2QS

Date: 09.09.2019

**Consolidated Statement of Comprehensive Income
for the Year Ended 31 December 2018**

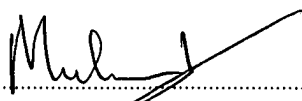
	Notes	31.12.18 £	31.12.17 £
TURNOVER	4	13,001,181	11,486,504
Cost of sales		7,730,221	6,971,956
GROSS PROFIT		5,270,960	4,514,548
Administrative expenses		3,692,853	3,708,897
OPERATING PROFIT	6	1,578,107	805,651
Interest receivable and similar income		3	-
		1,578,110	805,651
Interest payable and similar expenses	8	6,122	11,969
PROFIT BEFORE TAXATION		1,571,988	793,682
Tax on profit	9	215,446	78,902
PROFIT FOR THE FINANCIAL YEAR		1,356,542	714,780
OTHER COMPREHENSIVE INCOME			
Currency translation		(7,533)	1,689
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		(7,533)	1,689
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,349,009	716,469
Profit attributable to: Owners of the parent		1,356,542	714,780
Total comprehensive income attributable to: Owners of the parent		1,349,009	716,469

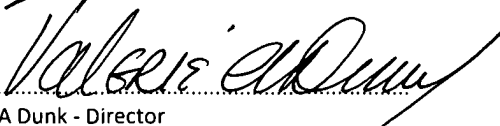
The notes form part of these financial statements

Consolidated Statement of Financial Position
31 December 2018

	Notes	31.12.18 £	£	31.12.17 £	£
FIXED ASSETS					
Intangible assets	12	-	-	-	-
Tangible assets	13	514,359	514,359	474,358	474,358
Investments	14	-	-	-	-
			<u>514,359</u>		<u>474,358</u>
CURRENT ASSETS					
Stocks	15	2,814,095	2,814,095	2,376,010	2,376,010
Debtors	16	2,917,228	2,917,228	1,620,858	1,620,858
Cash at bank and in hand		495,868	495,868	1,474,880	1,474,880
			<u>6,227,191</u>		<u>5,471,748</u>
CREDITORS					
Amounts falling due within one year	17	2,929,993	2,929,993	2,718,975	2,718,975
NET CURRENT ASSETS			<u>3,297,198</u>		<u>2,752,773</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,811,557</u>		<u>3,227,131</u>
CREDITORS					
Amounts falling due after more than one year	18	(39,987)	(39,987)	(65,413)	(65,413)
PROVISIONS FOR LIABILITIES	22	(104,509)	(104,509)	(95,188)	(95,188)
NET ASSETS			<u><u>3,667,061</u></u>		<u><u>3,066,530</u></u>
CAPITAL AND RESERVES					
Called up share capital	23	200	200	200	200
Merger reserve	24	(100)	(100)	(100)	(100)
Capital redemption reserve	24	25,000	25,000	25,000	25,000
Currency translation	24	56,535	56,535	64,068	64,068
Retained earnings	24	3,585,426	3,585,426	2,977,362	2,977,362
SHAREHOLDERS' FUNDS			<u><u>3,667,061</u></u>		<u><u>3,066,530</u></u>

The financial statements were approved by the Board of Directors on 05-09-2019 and were signed on its behalf by:


M J D Dunk - Director


Mrs V A Dunk - Director

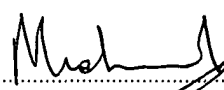
Company Statement of Financial Position
31 December 2018

	Notes	31.12.18 £	£	31.12.17 £	£
FIXED ASSETS					
Intangible assets	12	-	-	-	-
Tangible assets	13	-	-	-	-
Investments	14	300	300	300	300
			<u>300</u>		<u>300</u>
CREDITORS					
Amounts falling due within one year	17	200		200	
		<u>200</u>		<u>200</u>	
NET CURRENT LIABILITIES			<u>(200)</u>		<u>(200)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>100</u>		<u>100</u>
CAPITAL AND RESERVES					
Called up share capital	23	200	200	200	200
Merger reserve		(100)	(100)	(100)	(100)
SHAREHOLDERS' FUNDS			<u>100</u>		<u>100</u>
Company's profit for the financial year			<u>748,478</u>		<u>637,638</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors on 05.09.2019 and were signed on its behalf by:


Mrs V A Dunk - Director


M J D Dunk - Director

**Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2018**

	Called up share capital £	Retained earnings £	Merger reserve £
Balance at 1 January 2017	200	2,900,220	(100)
Changes in equity			
Dividends	-	(637,638)	-
Total comprehensive income	-	714,780	-
Balance at 31 December 2017	200	2,977,362	(100)
Changes in equity			
Dividends	-	(748,478)	-
Total comprehensive income	-	1,356,542	-
Balance at 31 December 2018	200	3,585,426	(100)
	Capital redemption reserve £	Currency translation £	Total equity £
Balance at 1 January 2017	25,000	62,379	2,987,699
Changes in equity			
Dividends	-	-	(637,638)
Total comprehensive income	-	1,689	716,469
Balance at 31 December 2017	25,000	64,068	3,066,530
Changes in equity			
Dividends	-	-	(748,478)
Total comprehensive income	-	(7,533)	1,349,009
Balance at 31 December 2018	25,000	56,535	3,667,061

**Company Statement of Changes in Equity
for the Year Ended 31 December 2018**

	Called up share capital £	Retained earnings £	Merger reserve £	Total equity £
Balance at 1 January 2017	200	-	(100)	100
Changes in equity				
Dividends	-	(637,638)	-	(637,638)
Total comprehensive income	-	637,638	-	637,638
Balance at 31 December 2017	200	-	(100)	100
Changes in equity				
Dividends	-	(748,478)	-	(748,478)
Total comprehensive income	-	748,478	-	748,478
Balance at 31 December 2018	200	-	(100)	100

The notes form part of these financial statements

**Consolidated Statement of Cash Flows
for the Year Ended 31 December 2018**

	Notes	31.12.18 £	31.12.17 £
Cash flows from operating activities			
Cash generated from operations	1	635,219	2,044,013
Interest paid		(342)	(6,847)
Interest element of hire purchase payments paid		(5,780)	(5,122)
Tax paid		(134,346)	(427,769)
Net cash from operating activities		<u>494,751</u>	<u>1,604,275</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(270,579)	(308,947)
Sale of tangible fixed assets		25,500	85,210
Currency translation reserve		(7,533)	1,679
Interest received		3	-
Net cash from investing activities		<u>(252,609)</u>	<u>(222,058)</u>
Cash flows from financing activities			
Capital repayments in year		(16,652)	61,609
Equity dividends paid		(748,478)	(637,638)
Net cash from financing activities		<u>(765,130)</u>	<u>(576,029)</u>
(Decrease)/increase in cash and cash equivalents		<u>(522,988)</u>	<u>806,188</u>
Cash and cash equivalents at beginning of year	2	1,018,856	212,668
Cash and cash equivalents at end of year	2	<u><u>495,868</u></u>	<u><u>1,018,856</u></u>

The notes form part of these financial statements

Notes to the Consolidated Statement of Cash Flows
for the Year Ended 31 December 2018

1. RECONCILIATION OF PROFIT FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS

	31.12.18	31.12.17
	£	£
Profit for the financial year	1,356,542	714,780
Depreciation charges	203,543	203,649
Loss/(profit) on disposal of fixed assets	1,533	(34,089)
Finance costs	6,122	11,969
Finance income	(3)	-
Taxation	215,446	78,902
	<u>1,783,183</u>	<u>975,211</u>
(Increase)/decrease in stocks	(438,085)	41,932
(Increase)/decrease in trade and other debtors	(1,296,369)	1,521,904
Increase/(decrease) in trade and other creditors	<u>586,490</u>	<u>(495,034)</u>
Cash generated from operations	<u><u>635,219</u></u>	<u><u>2,044,013</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2018

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	495,868	1,474,880
Bank overdrafts	-	(456,024)
	<u><u>495,868</u></u>	<u><u>1,018,856</u></u>

Year ended 31 December 2017

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	1,474,880	487,258
Bank overdrafts	(456,024)	(274,590)
	<u><u>1,018,856</u></u>	<u><u>212,668</u></u>

**Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2018**

1. COMPANY INFORMATION

The principal activity of the group and of the company in the period under review was that of manufacture and sales through specification of energy efficient, architectural grade lighting fixtures sold and distributed internationally.

2. STATUTORY INFORMATION

Lucent Lighting Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods.

Revenue recognition

The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 1993, has been fully amortised over its estimated useful life of twenty years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Capitalised dilapidations - over the period of the lease.

Improvements to property - in accordance with the property.

Plant and machinery - 30% on cost.

Fixtures and fittings - 30% on cost.

Motor vehicles - 25% on reducing balance.

Computer Equipment - 33% on cost

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Net realisable value is based on the estimated selling price less any further costs expected to be incurred to completion and disposal.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018**

3. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The assets and liabilities of overseas subsidiary undertakings are translated into the presentational currency at the rate of exchange ruling at the balance sheet date. Income and expenses for each statement of comprehensive income are translated at the average rate for the period. All resulting exchange differences are recognised in other comprehensive income.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Leased assets

Where the group has a legal obligation, a dilapidation provision is created on inception of the lease. These provision are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease. Where the obligation arises from 'wear and tear', the provision is accrued as the 'wear and tear' occurs.

Pension costs and other post-retirement benefits

The group operated a defined contribution pension scheme for the benefit of its employees. The pension cost charged for the period represents contributions payable by Lucent Lighting Limited to the scheme and amounts to £57,087 (2017 - £47,891).

At the balance sheet date the company had unpaid pension liabilities of £6,606 (2017 - £8,405).

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018**

3. ACCOUNTING POLICIES - continued**Judgements and key sources of estimation uncertainty**

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 22.

Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the group and the company performs impairment tests based on fair value less costs to sell. The fair value less costs to sell calculation is based on observable market prices less incremental costs for disposing of the asset. If the fair value less costs to sell is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment in profit and loss.

An impairment loss recognised for all assets is reversed in a subsequent period if and only if the reasons for the impairment loss have ceased to apply.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the cash flow, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from the impairment are recognised in the income statement in other operating expenses.

Provision for liabilities

A provision is recognised when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	31.12.18	31.12.17
	£	£
United Kingdom	2,951,076	3,474,765
Europe	1,588,907	1,780,452
Rest of the world	8,461,198	6,231,287
	<u>13,001,181</u>	<u>11,486,504</u>

The group operates within one principal activity, that of manufacture and sales through specification of energy efficient, architectural grade lighting fixtures sold and distributed internationally.

5. EMPLOYEES AND DIRECTORS

	31.12.18	31.12.17
	£	£
Wages and salaries	1,771,230	1,481,066
Social security costs	169,510	142,879
Other pension costs	57,087	47,891
	<u>1,997,827</u>	<u>1,671,836</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018

5. **EMPLOYEES AND DIRECTORS - continued**

The average number of employees during the year was as follows:

	31.12.18	31.12.17
Administration	21	21
Sales	7	6
Warehouse	12	11
	<u>40</u>	<u>38</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 40 (2017 - 38).

	31.12.18	31.12.17
	£	£
Directors' remuneration	49,301	83,943
Directors' pension contributions to money purchase schemes	<u>20,000</u>	<u>20,000</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	----------	----------

6. **OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	31.12.18	31.12.17
	£	£
Other operating leases	228,532	202,565
Depreciation - owned assets	152,425	159,813
Depreciation - assets on hire purchase contracts	51,120	43,834
Loss/(profit) on disposal of fixed assets	1,533	(34,089)
Foreign exchange differences	<u>(124,859)</u>	<u>228,538</u>

7. **AUDITORS' REMUNERATION**

	31.12.18	31.12.17
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	50,000	55,035
Auditors' remuneration for non audit work	<u>36,665</u>	<u>43,260</u>

8. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.12.18	31.12.17
	£	£
Bank interest	342	1,938
Tax late payment interest	-	4,909
Hire purchase	<u>5,780</u>	<u>5,122</u>
	<u>6,122</u>	<u>11,969</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018

9. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.12.18 £	31.12.17 £
Current tax:		
UK corporation tax	204,705	77,668
Foreign tax	1,419	1,309
Total current tax	206,124	78,977
Deferred tax	9,322	(75)
Tax on profit	215,446	78,902

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.18 £	31.12.17 £
Profit before tax	1,571,988	793,682
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.247%)	298,678	152,760
Effects of:		
Expenses not deductible for tax purposes	7,251	6,695
Depreciation in excess of capital allowances	3,848	3,798
Research and development enhanced deduction	(94,673)	(94,551)
Foreign subsidiary (losses) / profits	(97)	7,184
Foreign tax	1,419	1,308
Foreign exchange on consolidation	(475)	(602)
Unrealised gains on stock	(760)	2,310
Foreign exchange on consolidation in balance sheet	255	-
Total tax charge	215,446	78,902

Tax effects relating to effects of other comprehensive income

	31.12.18		31.12.17		
	Gross	Tax	Gross	Tax	Net
	£	£	£	£	£
Currency translation	(7,533)	-			(7,533)
	Gross	Tax	Gross	Tax	Net
	£	£	£	£	£
Currency translation	1,689	-			1,689

A reduction of the UK corporation tax rate from 20% to 19% took effect from 1 April 2017.

Factors that may affect future tax charges

The UK tax rate will reduce to 17% from 1 April 2020.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018

10. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

11. DIVIDENDS

	31.12.18 £	31.12.17 £
Interim	<u>748,478</u>	<u>637,638</u>

12. INTANGIBLE FIXED ASSETS

Group

Goodwill
£

COST

At 1 January 2018
and 31 December 2018

72,801

AMORTISATION

At 1 January 2018
and 31 December 2018

72,801

NET BOOK VALUE

At 31 December 2018

-

At 31 December 2017

-

13. TANGIBLE FIXED ASSETS

Group

	Capitalised dilapidations £	Improvements to property £	Plant and machinery £
COST			
At 1 January 2018	80,000	128,075	705,552
Additions	-	4,167	150,504
At 31 December 2018	<u>80,000</u>	<u>132,242</u>	<u>856,056</u>
DEPRECIATION			
At 1 January 2018	28,251	41,780	624,793
Charge for year	6,664	13,585	77,747
Eliminated on disposal	-	-	-
At 31 December 2018	<u>34,915</u>	<u>55,365</u>	<u>702,540</u>
NET BOOK VALUE			
At 31 December 2018	<u>45,085</u>	<u>76,877</u>	<u>153,516</u>
At 31 December 2017	<u>51,749</u>	<u>86,295</u>	<u>80,759</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018

13. TANGIBLE FIXED ASSETS - continued

Group

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 January 2018	580,648	308,486	28,027	1,830,788
Additions	43,727	72,181	-	270,579
Disposals	-	(70,748)	-	(70,748)
At 31 December 2018	624,375	309,919	28,027	2,030,619
DEPRECIATION				
At 1 January 2018	515,317	126,082	20,207	1,356,430
Charge for year	49,975	52,279	3,295	203,545
Eliminated on disposal	-	(43,715)	-	(43,715)
At 31 December 2018	565,292	134,646	23,502	1,516,260
NET BOOK VALUE				
At 31 December 2018	59,083	175,273	4,525	514,359
At 31 December 2017	65,331	182,404	7,820	474,358

The capitalised dilapidations cost of £80,000 , NBV of £45,085 (2017 - £51,749) has been included in the accounts via a dilapidation provision, see note 22.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 January 2018	271,818
Additions	72,181
Disposals	(70,748)
At 31 December 2018	273,251
DEPRECIATION	
At 1 January 2018	94,051
Charge for year	51,120
Eliminated on disposal	(43,715)
At 31 December 2018	101,456
NET BOOK VALUE	
At 31 December 2018	171,795
At 31 December 2017	177,767

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018

14. FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakings
£

COST

At 1 January 2018

and 31 December 2018

300

NET BOOK VALUE

At 31 December 2018

300

At 31 December 2017

300

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

Lucent Lighting Limited

Registered office: 1345 High Road, London, N20 9HR

Nature of business: Lighting distributors

	%		
Class of shares:	holding		
A Ordinary	100.00		

31.12.18

31.12.17

£

£

Aggregate capital and reserves

3,754,033

3,150,215

Profit for the year

1,352,296

762,289

Lucent Lighting Inc

Registered office: 350 Jericho Tpke, Suite 1, Jericho, New York, 11753, USA

Nature of business: Lighting distributors

	%		
Class of shares:	holding		
Ordinary	100.00		

31.12.18

31.12.17

£

£

Aggregate capital and reserves

(77,011)

(71,068)

Loss for the year

(910)

(38,635)

Lucent Lighting USA Limited

Registered office: 1345 High Road, London, N20 9HR

Nature of business: Dormant company

	%		
Class of shares:	holding		
Ordinary	100.00		

31.12.18

31.12.17

£

£

Aggregate capital and reserves

100

100

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018

14. **FIXED ASSET INVESTMENTS - continued**

Acre 1196 Limited

Registered office: 1345 High Road, London, N20 9HR

Nature of business: Dormant company

	% holding	31.12.18	31.12.17
Class of shares:			
Ordinary	100.00	£	£
Aggregate capital and reserves		<u>100</u>	<u>100</u>

All of the above subsidiary's are included in the consolidated group accounts.

15. **STOCKS**

	Group	
	31.12.18	31.12.17
	£	£
Finished goods	2,702,526	2,364,629
Goods in transit	<u>111,569</u>	<u>11,381</u>
	<u>2,814,095</u>	<u>2,376,010</u>

Stocks recognised in cost of sales during the year as an expense was £8,132,754 (2017 - £6,981,262).

16. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group	
	31.12.18	31.12.17
	£	£
Trade debtors	2,652,474	1,465,262
Other debtors	9,630	9,630
VAT	162,116	36,505
Prepayments	<u>93,008</u>	<u>109,461</u>
	<u>2,917,228</u>	<u>1,620,858</u>

17. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	31.12.18	31.12.17	31.12.18	31.12.17
	£	£	£	£
Bank loans and overdrafts (see note 19)	-	456,024	-	-
Hire purchase contracts (see note 20)	60,590	51,816	-	-
Trade creditors	2,170,294	1,381,401	-	-
Amounts owed to group undertakings	-	-	200	200
Tax	149,709	77,931	-	-
Social security and other taxes	53,153	75,783	-	-
Other creditors	33,675	91,110	-	-
Sales deposits	51,527	219,121	-	-
Accruals and deferred income	32,827	53,252	-	-
Accrued expenses	<u>378,218</u>	<u>312,537</u>	-	-
	<u>2,929,993</u>	<u>2,718,975</u>	<u>200</u>	<u>200</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	31.12.18	31.12.17
	£	£
Hire purchase contracts (see note 20)	39,987	65,413

19. LOANS

An analysis of the maturity of loans is given below:

	Group	
	31.12.18	31.12.17
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	-	456,024

20. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	31.12.18	31.12.17
	£	£
Gross obligations repayable:		
Within one year	63,774	55,786
Between one and five years	41,499	67,541
	105,273	123,327
Finance charges repayable:		
Within one year	3,184	3,970
Between one and five years	1,512	2,128
	4,696	6,098
Net obligations repayable:		
Within one year	60,590	51,816
Between one and five years	39,987	65,413
	100,577	117,229

Group

	Non-cancellable operating leases	
	31.12.18	31.12.17
	£	£
Within one year	219,095	216,657
Between one and five years	852,476	848,602
In more than five years	511,420	651,017
	1,582,991	1,716,276

In 2016, the company took on 10 year leases for two warehouses.

Operating leases recognised in the profit and loss account during the year as an expense was £133,285 (2017 - £218,953).

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018

20. LEASING AGREEMENTS - continued

In 2016, the group took on 10 year leases for two warehouses.

21. SECURED DEBTS

There is a debenture dated 24 May 2012 including a fixed charge over all freehold and leasehold property; First fixed charge over book and other debts, uncalled capital, chattels and goodwill both present and future; and first floating charge over all assets and undertaking both present and future given by the company to HSBC Bank PLC.

22. PROVISIONS FOR LIABILITIES

	Group	
	31.12.18	31.12.17
	£	£
Deferred tax	<u>24,509</u>	<u>15,188</u>
Other provisions	<u>80,000</u>	<u>80,000</u>
Aggregate amounts	<u>104,509</u>	<u>95,188</u>
Group		
		Deferred tax
		£
Balance at 1 January 2018		15,188
Accelerated capital allowances		<u>9,321</u>
Balance at 31 December 2018		<u>24,509</u>

Deferred taxation provided for at 19% (2017 - 19%) in the financial statements is set out below:

	2018	2017
	£	£
Accelerated capital allowances	24,509	15,188

The amount of the net reversal of deferred tax expected to occur next year is £21,332 (2017 - £13,888), relating to the reversal of existing timing differences on tangible fixed assets.

Onerous lease provisions will unwind over the next 8 years. Dilapidations provisions are expected to be utilised in 8 years.

23. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.18	31.12.17
			£	£
200	Ordinary - A	£1	<u>200</u>	<u>200</u>

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights, transfer notice and pre-emption rights on transfer of shares; they do not confer any rights of redemption.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2018

24. RESERVES

Group

	Retained earnings £	Merger reserve £	Capital redemption reserve £	Currency translation £	Totals £
At 1 January 2018	2,977,362	(100)	25,000	64,068	3,066,330
Profit for the year	1,356,542				1,356,542
Dividends	(748,478)				(748,478)
Movement in year	-	-	-	(7,533)	(7,533)
At 31 December 2018	<u>3,585,426</u>	<u>(100)</u>	<u>25,000</u>	<u>56,535</u>	<u>3,666,861</u>

The merger reserve is a non-distributable reserve created by the exercise of s612 merger relief for the amount in deficit of the nominal value of the 200 ordinary shares issued in connection with the acquisition of Lucent Lighting Limited.

Called up share capital - represents the nominal value of shares that have been issued.

Capital redemption reserve - represents the nominal value of shares repurchased by the company.

Retained earnings - includes all current and prior period retained profits and losses.

Currency translation reserve - represents the balance from conversion of a foreign entity's functional currency financial statements to the reporting entity's financial statements.

25. CONTINGENT LIABILITIES

There is a guarantee dated 12 June 2012 in favour of HM Revenue & Customs for £10,000 held by HSBC PLC.

26. ULTIMATE CONTROLLING PARTY

The company is controlled by Mr and Mrs Dunk, who own 100% of the issued share capital of the company.

27. KEY MANAGEMENT PERSONNEL

All individuals who have authority and responsibility for planning, directing and controlling the activities of the company are considered to be key management personnel. Total salary in respect of these individuals is £509,095 (2017 - £440,442).