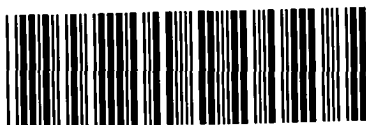


**Group Strategic Report,  
Report of the Directors and  
Consolidated Financial Statements  
for the Year Ended 31 December 2017  
for  
Lucent Lighting Holdings Limited**

THURSDAY



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20/09/2018  
COMPANIES HOUSE

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for the Year Ended 31 December 2017**

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**Company Information  
for the Year Ended 31 December 2017**

<b>DIRECTORS:</b>	Mrs V A Dunk M J D Dunk
<b>REGISTERED OFFICE:</b>	1345 High Road London N20 9HR
<b>REGISTERED NUMBER:</b>	10179714 (England and Wales)
<b>SENIOR STATUTORY AUDITOR:</b>	David Lewsley FCA
<b>AUDITORS:</b>	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 2017**

The directors present their strategic report of the company and the group for the year ended 31 December 2017.

**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 £11,486,504 has shown a 22.7% decrease in turnover over the prior fifteen month period which has resulted in a gross profit of £4,514,548 (2016 - £5,711,217) and a profit on ordinary activities before tax of £793,682 (2016 - £2,363,464).

The group continues to expand its market with new distributors appointed in Iceland, Denmark, Sri-Lanka, Croatia and Hungary. The group has also appointed new agents in the US market for California and Florida. 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.

**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: 14-9-2018

**Report of the Directors  
for the Year Ended 31 December 2017**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2017.

**DIVIDENDS**

The total distribution of dividends for the year ended 31 December 2017 will be £637,638.

**RESEARCH AND DEVELOPMENT**

The group is currently looking at increasing the size of internal manufacturing capabilities to meet their customer demands.

**FUTURE DEVELOPMENTS**

The group is working towards a ISO9001 accreditation in 2018/2019 in the UK, the basics of which will be implemented across the group. The group continue improvement internally by introducing new programmes to assist the already successful sales team. It continues to be committed to releasing new products throughout the year, and will have a new range towards the end of 2018.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

Mrs V A Dunk  
M J D Dunk

**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**

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**

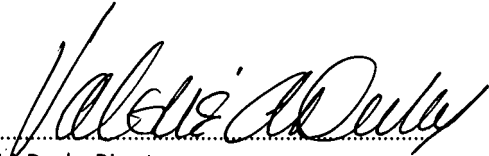
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware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

Report of the Directors  
for the Year Ended 31 December 2017

**AUDITORS**

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

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'Valerie Dunk', written over a dotted line.

Mrs V A Dunk - Director

Date: 14 - 9 - 2018

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

**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 2017 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 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 2017 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 opinion**

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 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, 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.

**Opinion 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.

**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.

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

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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](http://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: .....14-9-2018.....



**Consolidated Statement of Comprehensive Income  
for the Year Ended 31 December 2017**

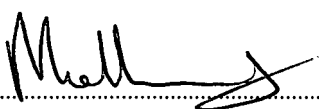
		Year Ended 31.12.17 £	Period 1.10.15 to 31.12.16 £
	Notes		
<b>TURNOVER</b>	4	11,486,504	14,860,381
Cost of sales		6,971,956	9,149,164
<b>GROSS PROFIT</b>		4,514,548	5,711,217
Administrative expenses		3,708,897	3,344,725
<b>OPERATING PROFIT</b>	6	805,651	2,366,492
Interest receivable and similar income		-	2,169
		805,651	2,368,661
Interest payable and similar expenses	8	11,969	5,197
<b>PROFIT BEFORE TAXATION</b>		793,682	2,363,464
Tax on profit	9	78,902	420,675
<b>PROFIT FOR THE FINANCIAL YEAR</b>		714,780	1,942,789
<b>OTHER COMPREHENSIVE INCOME</b>			
Currency translation		1,689	62,379
Income tax relating to other comprehensive income		-	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		1,689	62,379
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		716,469	2,005,168
Profit attributable to: Owners of the parent		714,780	1,942,789
Total comprehensive income attributable to: Owners of the parent		716,469	2,005,168

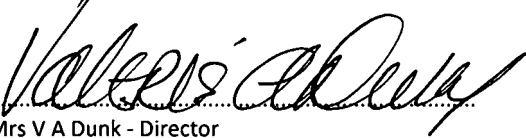
The notes form part of these financial statements

Consolidated Statement of Financial Position  
31 December 2017

	Notes	31.12.17 £	31.12.16 £
<b>FIXED ASSETS</b>			
Intangible assets	12	-	-
Tangible assets	13	474,358	420,179
Investments	14	-	-
		<u>474,358</u>	<u>420,179</u>
<b>CURRENT ASSETS</b>			
Stocks	15	2,376,010	2,417,942
Debtors	16	1,620,858	3,142,754
Cash at bank and in hand		1,474,880	487,258
		<u>5,471,748</u>	<u>6,047,954</u>
<b>CREDITORS</b>			
Amounts falling due within one year	17	2,718,975	3,354,565
		<u>2,718,975</u>	<u>3,354,565</u>
<b>NET CURRENT ASSETS</b>		<u>2,752,773</u>	<u>2,693,389</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,227,131</u>	<u>3,113,568</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	18	(65,413)	(30,606)
<b>PROVISIONS FOR LIABILITIES</b>	22	(95,188)	(95,263)
<b>NET ASSETS</b>		<u><u>3,066,530</u></u>	<u><u>2,987,699</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	23	200	200
Merger reserve	24	(100)	(100)
Capital redemption reserve	24	25,000	25,000
Currency translation	24	64,068	62,379
Retained earnings	24	2,977,362	2,900,220
<b>SHAREHOLDERS' FUNDS</b>		<u><u>3,066,530</u></u>	<u><u>2,987,699</u></u>

The financial statements were approved by the Board of Directors on 14-9-2018 and were signed on its behalf by:

  
.....  
M J D Dunk - Director

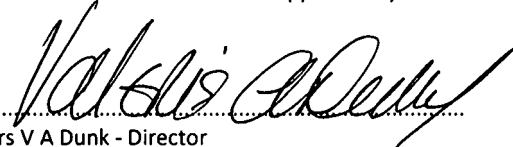
  
.....  
Mrs V A Dunk - Director

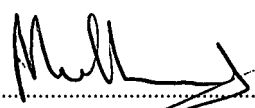
Company Statement of Financial Position  
31 December 2017

	Notes	31.12.17 £	£	31.12.16 £	£
<b>FIXED ASSETS</b>					
Intangible assets	12	-	-	-	-
Tangible assets	13	-	-	-	-
Investments	14	300	300	300	300
			300		300
<b>CREDITORS</b>					
Amounts falling due within one year	17	200	(200)	200	(200)
<b>NET CURRENT LIABILITIES</b>			(200)		(200)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			100		100
<b>CAPITAL AND RESERVES</b>					
Called up share capital	23	200	200	200	200
Merger reserve		(100)	(100)	(100)	(100)
<b>SHAREHOLDERS' FUNDS</b>			100		100
Company's profit for the financial year			637,638		127,483

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 14-9-2018 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 2017**

	Called up share capital £	Retained earnings £	Merger reserve £
<b>Balance at 1 October 2015</b>	100	1,622,232	-
<b>Changes in equity</b>			
Issue of share capital	100	-	(100)
Dividends	-	(664,801)	-
Total comprehensive income	-	1,942,789	-
<b>Balance at 31 December 2016</b>	200	2,900,220	(100)
<b>Changes in equity</b>			
Dividends	-	(637,638)	-
Total comprehensive income	-	714,780	-
<b>Balance at 31 December 2017</b>	200	2,977,362	(100)
	Capital redemption reserve £	Currency translation £	Total equity £
<b>Balance at 1 October 2015</b>	25,000	-	1,647,332
<b>Changes in equity</b>			
Dividends	-	-	(664,801)
Total comprehensive income	-	62,379	2,005,168
<b>Balance at 31 December 2016</b>	25,000	62,379	2,987,699
<b>Changes in equity</b>			
Dividends	-	-	(637,638)
Total comprehensive income	-	1,689	716,469
<b>Balance at 31 December 2017</b>	25,000	64,068	3,066,530

**Company Statement of Changes in Equity  
for the Year Ended 31 December 2017**

	Called up share capital £	Retained earnings £	Merger reserve £	Total equity £
<b>Changes in equity</b>				
Issue of share capital	200	-	(100)	100
Dividends	-	(127,483)	-	(127,483)
Total comprehensive income	-	127,483	-	127,483
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2016</b>	200	-	(100)	100
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Changes in equity</b>				
Dividends	-	(637,638)	-	(637,638)
Total comprehensive income	-	637,638	-	637,638
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2017</b>	200	-	(100)	100
	<hr/>	<hr/>	<hr/>	<hr/>

**Consolidated Statement of Cash Flows  
for the Year Ended 31 December 2017**

		Year Ended 31.12.17 £	Period 1.10.15 to 31.12.16 £
	Notes		
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	2,044,013	887,162
Interest paid		(6,847)	(964)
Interest element of hire purchase payments paid		(5,122)	(4,233)
Tax paid		(427,769)	(114,680)
<b>Net cash from operating activities</b>		<u>1,604,275</u>	<u>767,285</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(308,947)	(243,567)
Purchase of fixed asset investments		-	(200)
Sale of tangible fixed assets		85,210	17,885
Merger relief reserve		1,679	100
Currency translation		-	62,379
Interest received		-	2,169
<b>Net cash from investing activities</b>		<u>(222,058)</u>	<u>(161,234)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		-	(51,323)
Capital repayments in year		61,609	(12,052)
Amount withdrawn by directors		-	(1,679)
Share issue		-	100
Equity dividends paid		(637,638)	(664,801)
<b>Net cash from financing activities</b>		<u>(576,029)</u>	<u>(729,755)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>806,188</u>	<u>(123,704)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	212,668	336,372
<b>Cash and cash equivalents at end of year</b>	2	<u><u>1,018,856</u></u>	<u><u>212,668</u></u>

The notes form part of these financial statements

Notes to the Consolidated Statement of Cash Flows  
for the Year Ended 31 December 2017

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

	Year Ended 31.12.17 £	Period 1.10.15 to 31.12.16 £
Profit for the financial year	714,780	1,942,789
Depreciation charges	203,649	288,082
Profit on disposal of fixed assets	(34,089)	(4,507)
Finance costs	11,969	5,197
Finance income	-	(2,169)
Taxation	78,902	420,675
	<u>975,211</u>	<u>2,650,067</u>
Decrease/(increase) in stocks	41,932	(631,857)
Decrease/(increase) in trade and other debtors	1,521,904	(1,182,515)
(Decrease)/increase in trade and other creditors	(495,034)	51,467
	<u>1,068,802</u>	<u>(1,762,905)</u>
<b>Cash generated from operations</b>	<u><b>2,044,013</b></u>	<u><b>887,162</b></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 2017

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

Period ended 31 December 2016

	31.12.16 £	1.10.15 £
Cash and cash equivalents	487,258	336,372
Bank overdrafts	(274,590)	-
	<u>212,668</u>	<u>336,372</u>

**Notes to the Consolidated Financial Statements  
for the Year Ended 31 December 2017**

**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 and from the rendering of services.

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.

The group operates within three main geographical markets; the United Kingdom, Europe and the Rest of the World.

**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 2017**

**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.

**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 £47,891 (2016 - £105,261).

At the balance sheet date the company had unpaid pension liabilities of £8,405 (2016 - £3,870).

**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.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2017

3. ACCOUNTING POLICIES - continued

**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.

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:

	Year Ended 31.12.17 £	Period 1.10.15 to 31.12.16 £
United Kingdom	3,474,765	4,255,479
Europe	1,780,452	2,131,712
Rest of the world	6,231,287	8,473,190
	<u>11,486,504</u>	<u>14,860,381</u>

5. EMPLOYEES AND DIRECTORS

	Year Ended 31.12.17 £	Period 1.10.15 to 31.12.16 £
Wages and salaries	1,481,066	1,559,525
Social security costs	142,879	136,940
Other pension costs	47,891	105,261
	<u>1,671,836</u>	<u>1,801,726</u>

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

	Year Ended 31.12.17	Period 1.10.15 to 31.12.16
Administration	21	18
Sales	6	5
Warehouse	11	11
	<u>38</u>	<u>34</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 38.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2017

5. EMPLOYEES AND DIRECTORS - continued

	Year Ended 31.12.17 £	Period 1.10.15 to 31.12.16 £
Directors' remuneration	83,943	113,073
Directors' pension contributions to money purchase schemes	20,000	75,333
	<u>          </u>	<u>          </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):

	Year Ended 31.12.17 £	Period 1.10.15 to 31.12.16 £
Other operating leases	254,785	180,846
Depreciation - owned assets	159,813	251,740
Depreciation - assets on hire purchase contracts	43,834	36,342
Profit on disposal of fixed assets	(34,089)	(4,507)
Foreign exchange differences	228,538	(186,134)
	<u>          </u>	<u>          </u>

7. AUDITORS' REMUNERATION

	Year Ended 31.12.17 £	Period 1.10.15 to 31.12.16 £
Fees payable to the company's auditors for the audit of the company's financial statements	55,035	55,457
Auditors' remuneration for non audit work	43,260	36,996
	<u>          </u>	<u>          </u>

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year Ended 31.12.17 £	Period 1.10.15 to 31.12.16 £
Bank interest	1,938	964
Tax late payment interest	4,909	-
Hire purchase	5,122	4,233
	<u>          </u>	<u>          </u>
	11,969	5,197
	<u>          </u>	<u>          </u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2017

9. TAXATION

**Analysis of the tax charge**

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

	Year Ended 31.12.17 £	Period 1.10.15 to 31.12.16 £
Current tax:		
UK corporation tax	77,668	426,723
Foreign tax	1,309	3,689
Total current tax	78,977	430,412
Deferred tax	(75)	(9,737)
Tax on profit	78,902	420,675

**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:

	Year Ended 31.12.17 £	Period 1.10.15 to 31.12.16 £
Profit before tax	793,682	2,363,464
Profit multiplied by the standard rate of corporation tax in the UK of 19.247% (2016 - 20%)	152,760	472,693
Effects of:		
Expenses not deductible for tax purposes	6,695	13,237
Depreciation in excess of capital allowances	3,798	3,744
Difference in tax rates	-	(1,250)
Research and development enhanced deduction	(94,551)	(89,263)
Foreign subsidiary profits	7,184	17,825
Foreign tax	1,308	3,689
Foreign exchange on consolidation	(602)	-
Unrealised gains on stock	2,310	-
Total tax charge	78,902	420,675

**Tax effects relating to effects of other comprehensive income**

	31.12.17	
	Gross £	Net £
Currency translation	1,689	1,689
	1.10.15 to 31.12.16	
	Gross £	Net £
Currency translation	62,379	62,379

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

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2017

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

	Year Ended 31.12.17 £	Period 1.10.15 to 31.12.16 £
Interim	<u>637,638</u>	<u>664,801</u>

12. INTANGIBLE FIXED ASSETS

Group

**COST**

At 1 January 2017  
and 31 December 2017

Goodwill  
£

72,801

**AMORTISATION**

At 1 January 2017  
and 31 December 2017

72,801

**NET BOOK VALUE**

At 31 December 2017

-

At 31 December 2016

-

13. TANGIBLE FIXED ASSETS

Group

	Capitalised dilapidations £	Improvements to property £	Plant and machinery £
<b>COST</b>			
At 1 January 2017	80,000	85,390	646,737
Additions	-	42,685	58,815
At 31 December 2017	<u>80,000</u>	<u>128,075</u>	<u>705,552</u>
<b>DEPRECIATION</b>			
At 1 January 2017	21,588	28,715	535,828
Charge for year	6,663	13,065	88,965
Eliminated on disposal	-	-	-
At 31 December 2017	<u>28,251</u>	<u>41,780</u>	<u>624,793</u>
<b>NET BOOK VALUE</b>			
At 31 December 2017	<u>51,749</u>	<u>86,295</u>	<u>80,759</u>
At 31 December 2016	<u>58,412</u>	<u>56,675</u>	<u>110,909</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2017

13. TANGIBLE FIXED ASSETS - continued

Group

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>				
At 1 January 2017	519,926	320,453	26,002	1,678,508
Additions	60,722	144,700	2,025	308,947
Disposals	-	(156,667)	-	(156,667)
At 31 December 2017	580,648	308,486	28,027	1,830,788
<b>DEPRECIATION</b>				
At 1 January 2017	473,880	182,393	15,925	1,258,329
Charge for year	41,437	49,235	4,282	203,647
Eliminated on disposal	-	(105,546)	-	(105,546)
At 31 December 2017	515,317	126,082	20,207	1,356,430
<b>NET BOOK VALUE</b>				
At 31 December 2017	65,331	182,404	7,820	474,358
At 31 December 2016	46,046	138,060	10,077	420,179

The capitalised dilapidations cost of £80,000 , NBV of £51,749 (2016 - £58,412) has been included in the accounts via a dilapidation provision, see note 20.

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

	Motor vehicles £
<b>COST</b>	
At 1 January 2017	149,918
Additions	144,700
Transfer to ownership	(22,800)
At 31 December 2017	271,818
<b>DEPRECIATION</b>	
At 1 January 2017	64,004
Charge for year	43,834
Transfer to ownership	(13,787)
At 31 December 2017	94,051
<b>NET BOOK VALUE</b>	
At 31 December 2017	177,767
At 31 December 2016	85,914

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2017

14. FIXED ASSET INVESTMENTS

Company

Shares in  
group  
undertakings  
£

**COST**

At 1 January 2017  
and 31 December 2017

300

**NET BOOK VALUE**

At 31 December 2017

300

At 31 December 2016

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: %  
A Ordinary holding  
100.00

31.12.17

31.12.16

£

£

Aggregate capital and reserves

3,150,215

3,025,564

Profit for the year/period

762,289

2,035,602

**Lucent Lighting Inc**

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

Nature of business: Lighting distributors

Class of shares: %  
Ordinary holding  
100.00

31.12.17

31.12.16

£

£

Aggregate capital and reserves

(71,068)

(37,248)

Loss for the year/period

(38,635)

(92,813)

**Lucent Lighting USA Limited**

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

Nature of business: Dormant company

Class of shares: %  
Ordinary holding  
100.00

31.12.17

31.12.16

£

£

Aggregate capital and reserves

100

100

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2017

14. **FIXED ASSET INVESTMENTS - continued**

**Acre 1196 Limited**

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

Nature of business: Dormant company

	% holding	31.12.17	31.12.16
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**

	<b>Group</b>	
	31.12.17	31.12.16
	£	£
Finished goods	2,364,629	2,395,620
Goods in transit	<u>11,381</u>	<u>22,322</u>
	<u>2,376,010</u>	<u>2,417,942</u>

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

	<b>Group</b>	
	31.12.17	31.12.16
	£	£
Trade debtors	1,465,262	2,812,673
Other debtors	9,630	13,186
VAT	36,505	263,202
Prepayments	<u>109,461</u>	<u>53,693</u>
	<u>1,620,858</u>	<u>3,142,754</u>

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

	<b>Group</b>		<b>Company</b>	
	31.12.17	31.12.16	31.12.17	31.12.16
	£	£	£	£
Bank loans and overdrafts (see note 19)	456,024	274,590	-	-
Hire purchase contracts (see note 20)	51,816	25,014	-	-
Trade creditors	1,381,401	1,891,174	-	-
Amounts owed to group undertakings	-	-	200	200
Tax	77,931	426,723	-	-
Social security and other taxes	75,783	27,070	-	-
Other creditors	91,110	136,634	-	-
Sales deposits	219,121	246,689	-	-
Accruals and deferred income	53,252	47,168	-	-
Accrued expenses	<u>312,537</u>	<u>279,503</u>	-	-
	<u>2,718,975</u>	<u>3,354,565</u>	<u>200</u>	<u>200</u>



Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2017

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

	Group	
	31.12.17	31.12.16
	£	£
Hire purchase contracts (see note 20)	65,413	30,606

19. LOANS

An analysis of the maturity of loans is given below:

	Group	
	31.12.17	31.12.16
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	456,024	274,590

20. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	31.12.17	31.12.16
	£	£
Gross obligations repayable:		
Within one year	55,786	27,570
Between one and five years	67,541	32,453
	123,327	60,023

Finance charges repayable:

Within one year	3,970	2,556
Between one and five years	2,128	1,847
	6,098	4,403

Net obligations repayable:

Within one year	51,816	25,014
Between one and five years	65,413	30,606
	117,229	55,620

Group

	Non-cancellable operating leases	
	31.12.17	31.12.16
	£	£
Within one year	216,657	218,952
Between one and five years	848,602	857,816
In more than five years	651,017	858,461
	1,716,276	1,935,229

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

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2017

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	
	31.12.17	31.12.16
	£	£
Deferred tax	<u>15,188</u>	<u>15,263</u>
Other provisions	<u>80,000</u>	<u>80,000</u>
Aggregate amounts	<u>95,188</u>	<u>95,263</u>
<b>Group</b>		
		Deferred tax
		£
Balance at 1 January 2017		15,263
Accelerated capital allowances		(75)
Changes in tax rates		
Balance at 31 December 2017		<u>15,188</u>

Deferred taxation provided for at 19% (2016 - 19%) in the financial statements is set out below:

	2017	2016
	£	£
Accelerated capital allowances	15,188	15,263

The amount of the net reversal of deferred tax expected to occur next year is £13,888 (2016 - £20,526), relating to the reversal of existing timing differences on tangible fixed assets.

23. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.17	31.12.16
			£	£
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 2017

24. RESERVES

Group

	Retained earnings £	Merger reserve £	Capital redemption reserve £	Currency translation £	Totals £
At 1 January 2017	2,900,220	(100)	25,000	62,379	2,987,499
Profit for the year	714,780				714,780
Dividends	(637,638)				(637,638)
Merger reserve	-	-	-	1,689	1,689
At 31 December 2017	<u>2,977,362</u>	<u>(100)</u>	<u>25,000</u>	<u>64,068</u>	<u>3,066,330</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. 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 £440,442 (2016 - £481,403).

27. GROUP RECONSTRUCTION

A group reconstruction took place on the 25th September 2017, which brought Lucent Lighting Inc under the control of Lucent Lighting (USA) Limited.

The reconstruction was accounted for using the merger method.