

Registered Number: 3817489

QUADRANT VENTURES MANAGEMENT SERVICES LIMITED

(formerly Designplan Management Services Limited)

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2010

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QUADRANT VENTURES MANAGEMENT SERVICES LIMITED

31 December 2010

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QUADRANT VENTURES MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT

31 December 2010

The directors present their report and the audited financial statements for the year ended 31 December 2010

Principal activity

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

Business review

Most markets during the year held up well despite the continuing difficult economic conditions both at home and abroad. Continuing volatility in both energy and materials costs were mitigated by buying forward. The group continued to achieve a satisfactory performance, especially considering the uncertainty in the markets.

Research and Development

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

Profit, dividends and appropriations

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

The directors paid a dividend of £300,000 during the year.

Post balance sheet event

On 10 March 2011 the company completed the sale of its subsidiaries, Designplan Lighting Limited and Designplan International Limited, for initial cash consideration of £10,848,250. Additional consideration of up to £2 million is dependent upon the trading results of the companies sold in the year following completion of the sale.

Future developments

The Group changed dramatically at the end of the first quarter of 2011 with the sale of the largest components of the Group, Designplan Lighting Ltd and Designplan International Ltd. The remaining businesses although smaller are mostly showing good signs of growth and profit.

Directors

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

D A Cumper
M J Cumper
P Williamson (resigned 10 March 2011)

Charitable donations

During the year the group made political donations totalling £500 (2009: £600) to the Conservative Party.

QUADRANT VENTURES MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT

31 December 2010

(continued)

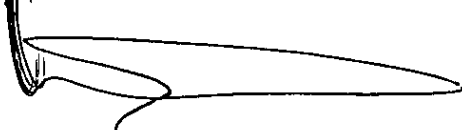
Auditor

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

Statement as to disclosure of information to auditor

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

On behalf of the board



M J Cumper
Director

18 August 2011

17 Cranley Road
Hersham
Walton-On-Thames
Surrey
KT12 5BT

QUADRANT VENTURES MANAGEMENT SERVICES LIMITED

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law)

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 the company and of the profit or loss of the group for that period

In preparing those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent;
- c prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and 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 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 the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

QUADRANT VENTURES MANAGEMENT SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT

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

We have audited the group and parent company financial statements (the "financial statements") on pages 5 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As more fully explained in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2010 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.

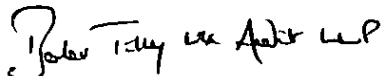
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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.



JONATHAN ERICSON (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
12 Gleneagles Court
Crawley, West Sussex, RH10 6AD

22 August 2011

QUADRANT VENTURES MANAGEMENT SERVICES LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2010

	Note	Discontinued £	Continuing £	2010 £	2009 £
Turnover	2	9,823,217	6,557,444	16,380,661	19,972,639
Cost of sales		(4,229,156)	(3,651,913)	(7,881,069)	(9,733,352)
Gross profit		5,594,061	2,905,531	8,499,592	10,239,287
Distribution costs		(1,089,395)	(756,921)	(1,846,316)	(2,103,112)
Administrative expenses		(3,221,515)	(2,906,021)	(6,127,536)	(7,051,901)
Other operating income	4	-	196,050	196,050	167,129
Operating profit/ (loss)	6	1,283,151	(561,361)	721,790	1,251,403
Interest receivable	8			24,898	4,415
Interest payable	9			(36,141)	(52,043)
Profit on ordinary activities before taxation				710,547	1,203,775
Tax on profit on ordinary activities	10			(375,573)	(481,740)
Profit on ordinary activities after taxation				334,974	722,035
Minority interest in profit (equity)				(79,320)	(389,217)
Profit for the year	21			255,654	332,818

The company is exempt from publishing the parent's profit and loss account under section 408 of the Companies Act 2006

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

QUADRANT VENTURES MANAGEMENT SERVICES LIMITED

CONSOLIDATED STATEMENT OF TOTAL

RECOGNISED GAINS AND LOSSES

for the year ended 31 December 2010

	2010	2009
	£	£
Profit for the financial year	255,654	332,818
Currency transaction differences on foreign currency net investments	25,818	(23,580)
Acquisition of minority interest in the year	5,329	-
Total gains and losses recognised relating to the year	<u>286,801</u>	<u>309,238</u>

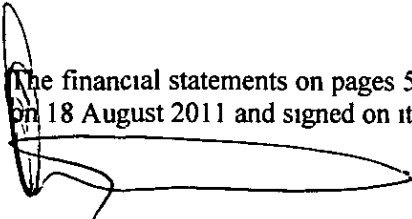
QUADRANT VENTURES MANAGEMENT SERVICES LIMITED

CONSOLIDATED BALANCE SHEET (Company registration no. 3817489)

at 31 December 2010

	Note	2010		2009	
		£	£	£	£
Fixed assets					
Intangible assets	11		-		51,979
Tangible assets	12		3,048,462		3,142,041
			<u>3,048,462</u>		<u>3,194,020</u>
Current assets					
Stocks	14	3,656,897		3,426,264	
Deferred tax	19	303,136		327,702	
Debtors, due within one year	15	3,727,187		3,954,910	
Cash at bank and in hand		2,431,856		2,663,879	
			<u>10,119,076</u>	<u>10,372,755</u>	
Creditors:					
amounts falling due within one year	16		3,832,243	3,826,327	
			<u>6,286,833</u>	<u>6,546,428</u>	
Net current assets					
			<u>9,335,295</u>	<u>9,740,448</u>	
Total assets less current liabilities					
Creditors:					
amounts falling due after more than one year	17	596,695		1,192,852	
Provisions for liabilities	18	734,434		609,328	
			<u>1,331,129</u>	<u>1,802,180</u>	
			<u>8,004,166</u>	<u>7,938,268</u>	
Capital and reserves					
Called up share capital	20	360,400		360,400	
Merger capital		214,575		214,575	
Profit and loss account	21	6,207,087		6,220,286	
Shareholders' funds	22	6,782,062		6,795,261	
Minority interest (equity)		1,222,104		1,143,007	
Shareholders' funds			<u>8,004,166</u>	<u>7,938,268</u>	

The financial statements on pages 5 to 28 were approved and authorised for issue by the board of directors on 18 August 2011 and signed on its behalf by


M J Cumper
Director

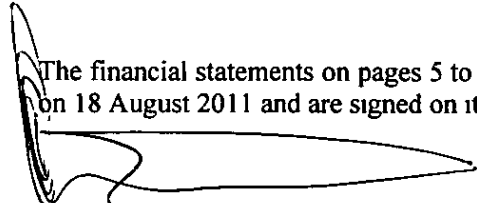
QUADRANT VENTURES MANAGEMENT SERVICES LIMITED

COMPANY BALANCE SHEET (Company registration no. 3817489)

at 31 December 2010

	Note	2010		2009	
		£	£	£	£
Fixed assets					
Tangible assets	12	2,448,190		2,503,438	
Investments	13	1,010,565		1,000,565	
		3,458,755		3,504,003	
Current assets					
Deferred tax asset	19	210,529		124,415	
Debtors due within one year	15	684,414		415,902	
Cash at bank and in hand		1,109,944		1,620,614	
		2,004,887		2,160,931	
Creditors:					
amounts falling due within one year	16	2,240,519		1,500,667	
		(235,632)		660,264	
Net current (liabilities)/ assets					
		3,223,123		4,164,267	
Creditors					
amounts falling due after more than one year	17	539,345		1,103,370	
Provisions for liabilities	18	440,000		440,000	
		979,345		1,543,370	
		2,243,778		2,620,897	
Capital and reserves					
Called up share capital	20	360,400		360,400	
Profit and loss account	21	1,883,378		2,260,497	
		2,243,778		2,620,897	
		2,243,778		2,620,897	

The financial statements on pages 5 to 28 were approved and authorised for issue by the board of directors on 18 August 2011 and are signed on its behalf by



M J Cumper
Director

QUADRANT VENTURES MANAGEMENT SERVICES LIMITED

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2010

	Note	2010 £	£	2009 £	£
Net cash inflow from operating activities	24	1,104,205		2,475,141	
Returns on investment and servicing of finance					
Interest received		24,898		4,415	
Interest paid		<u>(36,141)</u>		<u>(52,043)</u>	
Net cash outflow from returns on investment and servicing of finance			(11,243)		(47,628)
Taxation					
Corporation tax paid			(501,511)		(545,292)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(125,698)		(167,934)	
Receipts from sale of tangible fixed assets		<u>-</u>		<u>11,892</u>	
			(125,698)		(156,042)
Acquisitions and disposals					
Purchase of shares in subsidiary undertaking			(10,000)		(56)
Dividends					
Equity dividends paid			<u>(300,000)</u>		<u>(300,000)</u>
Net cash inflow before financing			155,753		1,426,123
Financing					
Advance on bank and other loans		216,149		302,764	
Repayment of borrowings		<u>(404,201)</u>		<u>(150,241)</u>	
Net cash (outflow)/inflow from financing			<u>(188,052)</u>		<u>152,523</u>
(Decrease)/increase in cash in the year	26		<u><u>(32,299)</u></u>		<u><u>1,578,646</u></u>

QUADRANT VENTURES MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2010

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards and under historical cost convention

Basis of consolidation

The consolidated financial statements incorporate the financial statements of all other subsidiary companies on an acquisition basis. Subsidiaries acquired during the year are consolidated from the date control of share capital was transferred. Subsidiary companies are those where there is a dominant influence exercised and/or a unified management structure. The difference between cost of acquisition of the shares in subsidiaries and the fair value of the separate net assets acquired is capitalised and written off on a straight line basis over its estimated economic life. Provision is made for impairment. All financial statements are made up to 31 December 2010. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Goodwill

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

Investments

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

Turnover

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

Depreciation

Depreciation of tangible fixed assets is charged by equal annual instalments commencing with the year of acquisition at rates estimated to write off their cost less any residual value over the expected useful lives, which are as follows:-

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

QUADRANT VENTURES MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2010 *(continued)*

1 Principal accounting policies *(continued)*

Finance leases and hire purchase contracts

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

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

Stocks

Stocks, including work in progress, are valued at the lower of cost, including an addition for production overheads, where appropriate, and net realisable value. Allowance has been made for obsolete or slow moving items.

Investment income

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

Research and development

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

Foreign currencies

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange ruling at the date of the transaction. Adjustments due to currency fluctuations arising in the normal course of business are dealt with in the profit and loss account.

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

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

Defined contribution pension fund

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

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis.

QUADRANT VENTURES MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2010 (continued)

1 Principal accounting policies (continued)

Constructive obligations under various onerous contracts

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

Liquid resources

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

Share based payments

The Company issued equity-settled share based payments to certain employees and has applied the disclosure requirements of FRS 20 "share based payments". As disclosed in note 28 no provision is made for the charge in the year due to the amount being immaterial to the results of the company

2 Turnover

	2010 £	2009 £
United Kingdom	11,539,080	14,348,279
Europe	1,671,068	1,290,519
North America	2,858,652	4,062,099
Far East	311,861	265,891
Other	-	5,851
	<u>16,380,661</u>	<u>19,972,639</u>

3 Dividends

	2010 £	2009 £
Dividends paid on ordinary shares in the year - 83.2408 pence per share (2009: 83.2408 pence)	300,000	300,000
	<u>300,000</u>	<u>300,000</u>

4 Other operating income

	2010 £	2009 £
Rent receivable	196,050	167,129
	<u>196,050</u>	<u>167,129</u>

QUADRANT VENTURES MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2010 (continued)

5 Discontinued operations

An analysis of the discontinued operations for 2009 is given below

	Discontinued £	Continuing £	2009 £
Turnover	12,100,272	7,872,367	19,972,639
Cost of sales	(5,477,671)	(4,255,681)	(9,733,352)
Gross profit	6,622,601	3,616,686	10,239,287
Distribution costs	(1,056,898)	(1,046,214)	(2,103,112)
Administrative expenses	(3,619,883)	(3,432,018)	(7,051,901)
Other operating income	-	167,129	167,129
Operating profit/ (loss)	1,945,820	(694,417)	1,251,403

6 Operating profit

	2010 £	2009 £
Operating profit is stated after charging/(crediting)		
Depreciation		
- owned assets	230,198	251,366
Amortisation of goodwill	51,979	51,978
Goodwill impairment	15,329	284,989
Profit on fixed asset disposal	-	(1,500)
Operating leases		
- plant and machinery hire	28,753	22,185
- other assets	336,348	323,002
Net foreign exchange gains	(150,592)	(64,109)
Auditors' remuneration		
- audit of parent and group accounts	8,300	7,200
- audit of subsidiaries accounts	51,200	30,800
- taxation services	11,450	11,000
- other services	12,500	12,000

7 Directors and employees

	2010 No	2009 No
The average number of persons employed by the group (including executive directors) during the year was		
Production	135	142
Sales	31	27
Administration	63	65
	229	234

QUADRANT VENTURES MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2010 (continued)

7 Directors and employees (continued)	2010 £	2009 £
The aggregate staff costs were		
Wages and salaries	5,430,701	5,865,806
Social security costs	558,332	547,467
Other pension costs	146,239	160,405
	<u>6,135,272</u>	<u>6,573,678</u>
Directors		
Directors' emoluments		
- emoluments	479,166	604,007
- pension contributions	49,000	44,833
	<u>528,166</u>	<u>648,840</u>
Highest paid director		
- emoluments	180,885	292,544
- pension contributions	5,000	22,000
	<u>185,885</u>	<u>314,544</u>

Defined contribution pension funds

The group operates three types of defined contributions pension scheme. Two of these are funded defined contribution group personal pension plans where the assets are held separately for individual members and are not available generally to all members. One director (2009: one) benefitted from these plans at the year end. The total contributions to these plans were £102,239 (2009: £116,405).

The group's other scheme is a defined contribution pension fund. The assets of the fund are held separately from those of the company in an independently administered fund. Two directors (2009: two) benefitted from this fund as at the year end. The pension cost charge payable by the group to the pension scheme amounted to £44,000 (2009: £44,000).

8 Interest receivable	2010 £	2009 £
Bank interest	<u>24,898</u>	<u>4,415</u>

QUADRANT VENTURES MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2010 (continued)

9	Interest payable		2010 £	2009 £
	Bank loan and overdrafts		25,536	36,908
	Directors' loan account interest		10,304	11,549
	Other interest		301	3,586
			36,141	52,043
			36,141	52,043
10	Taxation		2010 £	2009 £
	a) Analysis of change in year			
	Current UK tax			
	- Corporation tax on profits of the year		378,103	487,416
	- Adjustment in respect of prior years		(31,756)	(920)
			346,347	486,496
	Current foreign tax			
	- Foreign tax charge/(credit) for the year		1,862	(7,472)
			348,209	479,024
	Deferred tax			
	- Origination of UK timing differences		(69,482)	13,263
	- Origination of overseas timing differences		96,846	(10,547)
			27,364	2,716
	Total deferred tax charge for the year		27,364	2,716
	Tax on profit on ordinary activities		375,573	481,740
			375,573	481,740

b) Factors that may affect future tax changes

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

The group has brought and carried forward capital losses of £160,948 (2009 £160,948) and trading losses carried forward which could significantly reduce tax payments in future years

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

QUADRANT VENTURES MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2010 (continued)

10	Taxation (continued)	2010	2009
		£	£
	c) Factors affecting tax charge for the year		
	The current tax assessed for the year is higher than the effective standard rate of corporation tax in the United Kingdom of 28% (2009 28%) as explained below		
	Profit on ordinary activities before tax	710,547	1,203,775
	Profit on ordinary activities multiplied by the effective standard rate of UK corporation tax of 28% (2009 28%)	<u>198,953</u>	<u>337,057</u>
	Effects of		
	- Net expenses not deductible for tax purposes	72,385	60,812
	- Capital allowances in excess of depreciation	(42,179)	(14,559)
	- Impairment of goodwill not allowable	4,292	79,797
	- Unrelieved tax losses	15,154	17,609
	- Overseas earnings	130,938	11,266
	- Marginal relief	(2,949)	(4,717)
	- Short term timing differences	1,509	151
		<u>378,103</u>	<u>487,416</u>
	Adjustments in respect of prior years	(31,756)	(920)
	Current UK tax	<u>346,347</u>	<u>486,496</u>
11	Intangible fixed assets		Goodwill
			£
	Cost		
	At 1 January 2010		544,880
	Additions		15,329
	At 31 December 2010		<u>560,209</u>
	Amortisation		
	At 1 January 2010		492,901
	Charge for the year		51,979
	Impairment charge for the year		15,329
	At 31 December 2010		<u>560,209</u>
	Net book value		
	31 December 2010		<u>-</u>
	31 December 2009		<u>51,979</u>

QUADRANT VENTURES MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2010 (continued)

12 Tangible fixed assets

Group	Land and buildings £	Plant, machinery and tools £	Computer, furniture & fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2010	3,828,534	4,313,570	1,321,358	78,590	9,542,052
Additions	-	68,956	56,742	-	125,698
Exchange movement	11,617	9,551	3,281	-	24,449
At 31 December 2010	3,840,151	4,392,077	1,381,381	78,590	9,692,199
Accumulated depreciation					
At 1 January 2010	1,023,222	4,157,463	1,183,641	35,685	6,400,011
Charged for the year	64,163	102,496	53,079	10,460	230,198
Exchange movement	3,212	(3,780)	14,096	-	13,528
At 31 December 2010	1,090,597	4,256,179	1,250,816	46,145	6,643,737
Net book value					
31 December 2010	2,749,554	135,898	130,565	32,445	3,048,462
31 December 2009	2,805,312	156,107	137,717	42,905	3,142,041

The net book value of land and buildings includes:

	Cost £	Accumulated depreciation £	Net book value £
Freehold property and leasehold improvements	402,241	100,877	301,364
Long leaseholds	2,166,405	394,773	1,771,632
Short leaseholds	1,271,505	594,947	676,558
	3,840,151	1,090,597	2,749,554

QUADRANT VENTURES MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2010 (continued)

12 Tangible fixed assets (continued)

Company	Land and buildings £
Cost	
At 1 January 2010 and at 31 December 2010	3,437,910
Accumulated depreciation	
At 1 January 2010	934,472
Charged for the year	55,248
At 31 December 2010	989,720
Net book value	
31 December 2010	2,448,190
31 December 2009	2,503,438

The net book value of land and buildings includes

	Cost £	Accumulated depreciation £	Net book Value £
Long leaseholds	2,166,405	394,773	1,771,632
Short leaseholds	1,271,505	594,947	676,558
	<u>3,437,910</u>	<u>989,720</u>	<u>2,448,190</u>

QUADRANT VENTURES MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2010 (continued)

13 Fixed asset investments

Company Shares in group undertakings	Subsidiaries £
Cost	
At 1 January 2010	1,260,456
Additions	10,000
	<hr/>
At 31 December 2010	1,270,456
	<hr/> <hr/>
Provisions	
At 1 January 2010	259,891
Charged for the year	-
	<hr/>
At 31 December 2010	259,891
	<hr/> <hr/>
Net book value	
31 December 2010	1,010,565
	<hr/> <hr/>
31 December 2009	1,000,565
	<hr/> <hr/>

Company

The company holds the equity share capital of the following:

Name of undertaking	Country of incorporation	Class of share	Proportion held	Nature of business
Subsidiaries				
Designplan Lighting Limited	England	Ordinary	100%	Design and manufacture of light fittings, uplighters and luminaires
Richmond Plastics Limited	England	Ordinary	100%	Dormant
Aether Lighting Limited	England	Ordinary	100%	Design and manufacture of architectural lighting
One 2 See Signs Limited	England	Ordinary	57.5%	Illuminated road signs

QUADRANT VENTURES MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2010 (continued)

13 Fixed asset investments (continued)

Group

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

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

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

Richmond Lighting Limited	England	Ordinary	0%	Design and manufacture of lighting controls
Steelplan Kitchens Limited	England	Ordinary	0%	Design and manufacture of Kitchens
Sparta Ventures Limited	England	Ordinary	0%	Dormant

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

During the year Designplan Management Services Limited acquired an additional 1% interest in One 2 See Signs Limited for £10,000. The goodwill in relation to this acquisition is shown in note 11, intangible fixed assets

Further details of a post year end changes to the composition of the group can be seen in note 30, post balance sheet events

QUADRANT VENTURES MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2010 (continued)

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
14	Stocks			
Raw materials	2,348,318	2,143,213	-	-
Work in progress	434,817	560,890	-	-
Finished goods	873,762	722,161	-	-
	<u>3,656,897</u>	<u>3,426,264</u>	<u>-</u>	<u>-</u>
15	Debtors: amounts falling due within one year			
Trade debtors	3,484,535	3,615,173	-	-
Amounts due from group undertakings	-	-	682,479	413,536
Other debtors	29,793	34,628	-	-
Prepayments and accrued income	212,859	305,109	1,935	2,366
	<u>3,727,187</u>	<u>3,954,910</u>	<u>684,414</u>	<u>415,902</u>
16	Creditors: amounts falling due within one year			
Bank loans and overdrafts	545,027	702,216	98,831	51,634
Trade creditors	1,725,052	1,493,858	-	-
Amounts owed to group undertakings	-	-	1,528,225	1,039,062
Corporation tax	176,913	327,417	10,407	14,673
Other taxation and social security	445,703	449,908	-	16,960
Directors' loan accounts	557,457	200,000	557,457	200,000
Other creditors	78,085	11,659	-	-
Accruals and deferred income	304,006	641,269	45,599	178,338
	<u>3,832,243</u>	<u>3,826,327</u>	<u>2,240,519</u>	<u>1,500,667</u>

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

QUADRANT VENTURES MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2010 (continued)

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
17 Creditors: amounts falling due after more than one year				
Bank loans and overdrafts	590,569	572,122	539,345	482,640
Other creditors	6,126	-	-	-
Directors' loan account	-	620,730	-	620,730
	<u>596,695</u>	<u>1,192,852</u>	<u>539,345</u>	<u>1,103,370</u>
Bank loans are repayable:				
In the next year	143,831	101,296	98,831	51,634
In the second to fifth year	397,957	312,526	346,733	223,044
In more than 5 years	192,612	259,596	192,612	259,596
	<u>734,400</u>	<u>673,418</u>	<u>638,176</u>	<u>534,274</u>

There are 3 bank loans all of which are secured on the group's leasehold property. Two of the loans are at an interest rate of 2.75% per annum above the bank's US\$ bank base rate and are repayable by equal monthly instalments. The other loan is at an interest rate of 1.60% above the bank's UK base rate and is repayable by equal monthly instalments.

18 Provisions for liabilities

Group	1 January	Profit and	31 December
	2010	loss account	2010
	£	charge	£
Unfunded pensions to former employees	440,000	-	440,000
Constructive obligations under various onerous contracts	169,328	125,106	294,434
	<u>609,328</u>	<u>125,106</u>	<u>734,434</u>
Company	1 January	Profit and	31 December
	2010	loss account	2010
	£	charge	£
Unfunded pensions to former employees	440,000	-	440,000

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

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

QUADRANT VENTURES MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2010 (continued)

19	Deferred tax	2010	2009
		£	£
	Group asset		
	Capital allowances	180,823	107,190
	Former employees pension	118,800	123,200
	Short term timing differences	3,513	3,264
		<hr/>	<hr/>
		303,136	233,654
	Foreign tax timing differences	-	94,048
		<hr/>	<hr/>
		303,136	327,702
		<hr/> <hr/>	<hr/> <hr/>
	Company asset		
	Capital allowances	91,729	1,215
	Former employees pension	118,800	123,200
		<hr/>	<hr/>
		210,529	124,415
		<hr/> <hr/>	<hr/> <hr/>
		Group	Company
		£	£
	Deferred tax asset		
	Asset at 1 January 2010	327,702	124,415
	Deferred tax (charge)/credit in the profit and loss account for the year	(27,364)	86,114
	Exchange movements	2,798	-
		<hr/>	<hr/>
	Asset at 31 December 2010	303,136	210,529
		<hr/> <hr/>	<hr/> <hr/>

The deferred tax asset is based on a corporation tax rate of 27% (2009 28%)

The deferred tax asset on unused capital tax losses of £167,373 carried forward at 31 December 2010 within the Group, amounting to £45,191 (2009 £45,065), is not included in the balance sheet as there is presently no likelihood of the capital losses being utilised

20	Called up share capital	2010	2009
		£	£
	Allotted, called up and fully paid		
	360,400 ordinary shares of £1 each	-	360,400
	360,400 ordinary A shares of £0 1759 each	63,394	-
	9,900,200 preference A shares of £0 03 each	297,006	-
		<hr/>	<hr/>
		360,400	360,400
		<hr/> <hr/>	<hr/> <hr/>

On 27 August 2010 the share capital of the company was sub-divided into 360,400 ordinary A shares of £0 1759 each and 9,900,200 preference A shares of £0 03 each

QUADRANT VENTURES MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2010 (continued)

21 Profit and loss account

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Group				
Balance at 1 January 2010	6,220,286	6,211,048	2,260,497	2,183,442
Profit/ (loss) for the financial year	255,654	332,818	(77,119)	377,055
Dividends	(300,000)	(300,000)	(300,000)	(300,000)
Exchange adjustments on translation of opening balances of overseas subsidiary	25,818	(23,580)	-	-
Acquisition of minority interest in the year	5,329	-	-	-
At 31 December 2010	<u>6,207,087</u>	<u>6,220,286</u>	<u>1,883,378</u>	<u>2,260,497</u>

The loss after taxation for the parent company was £77,119 (2009 profit £377,055)

Consolidated goodwill arising on acquisitions prior to the introduction of FRS 10 have been written off against reserves amounted to £124,000 (2009 £124,000).

22 Reconciliation of shareholders' funds

	2010	2009
	£	£
Group		
Profit for the year	255,654	332,818
Dividends	(300,000)	(300,000)
	<u>(44,346)</u>	<u>32,818</u>
Other recognised gains and losses relating to the year	31,147	(23,580)
Net (deduction from) addition to shareholders' funds	(13,199)	9,238
Opening shareholders' funds	6,795,261	6,786,023
Closing shareholders' funds	<u>6,782,062</u>	<u>6,795,261</u>

QUADRANT VENTURES MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2010 *(continued)*

23 Related parties transactions

The company has taken advantage of the exemption from reporting transactions with wholly owned group companies conferred by Financial Reporting Standard No 8 on the grounds that the shares in these companies are 100% owned by Quadrant Ventures Management Services Limited ("Management")

D A Cumper and M J Cumper hold a controlling interest in the group by virtue of their shareholding in Management

During the year to 31 December 2010 the following transactions took place between them:

- (i) D A Cumper and M J Cumper received £10,304 (2009 £11,549) in directors loan interest during the year. At the balance sheet date the company owed £557,457 (2009 £820,730) in respect of these directors loans
- (ii) D A Cumper and M J Cumper received dividends totalling £300,000 from Management during the year (2009 £300,000)

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

International was charged a management fee of £121,519 (2009 £278,550) and interest of £347 (2009 £1,261) by Management. The amount due to International at the year-end was £7,111 (2009 £148,199).

International purchased goods for £1,448,862 (2009 £909,157) and received commission of £120,051 (2009 £87,570) from Designplan. The balance due to International from Designplan at the year-end was £133,174 (2009 £55,303)

Steelplan Kitchens Limited ("Steelplan") is under common control and unified management with Management. Steelplan was charged a management fee of £147,806 (2009 £102,311) and rent of £44,300 (2009 £nil) by Management. The amount due to Management at the year-end was £500,000 (2009 £400,000). Steelplan was charged interest on the amount due to Management totalling £16,874 (2009 £6,000) in the year.

One 2 See Signs Limited ("One 2 See") is a 57.5% owned subsidiary of Management. The following transactions took place:

During the year One 2 See recharged costs totalling £nil to Designplan (2009 £23,153). At 31 December 2010 One 2 See owed Designplan £15,773 (2009 £588,698)

During the year Management charged One 2 See interest amounting to £27,293 (2009 £15,786). At the balance sheet date One 2 See owed Management £600,293 (2009 £13,536). A provision of £600,000 was made against this balance (2009 £nil)

MSW Associates ("MSW") is a company owned by M Walters, who is a director and shareholder of One 2 See. During the year consultancy fees totalling £33,000 (2009: £33,000) and other expenses of £926 (2009: £465) were charged by MSW to One 2 See. There was no balance due to or from MSW at either year end.

QUADRANT VENTURES MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2010 (continued)

23 Related parties transactions (continued)

Battery Technology ("Technology") is a company owned by B Gustar, who is a director and shareholder of One 2 See During the year consultancy fees totalling £15,748 (2009 £12,857) were charged by Technology to One 2 See There was no balance due to or from Technology at either year end

Designplan Lighting Inc is a 75% subsidiary of International which is an 82.5% owned subsidiary of Management Designplan Lighting Inc purchased goods for £142,093 (2009 £162,018) from International Designplan Lighting Inc also paid interest to International of £18,890 (2009 £14,915) The gross amount due to International by Designplan Lighting Inc at the year-end was £889,012 (2009 £710,625).

Richmond Lighting Limited ("Richmond") is under common control and unified management with Management During the year ended 31 December 2010 the following transactions took place

- (i) Richmond was charged a management fee of £30,000 (2009. £30,000) by Management Richmond was charged rent of £16,596 (2009 £16,596) by Management There was no balance due between Richmond and Management at either year end
- (ii) The balance due to Designplan by Richmond at the year-end was £11,923 (2009 £49,247)

24 Reconciliation of operating profit to net

Cash inflow from operating activities	2010	2009
	£	£
Operating profit	721,790	1,251,403
Depreciation	230,198	251,366
Profit on disposal	-	(1,500)
Amortisation and impairment	67,308	336,967
Net exchange variations	18,813	(12,768)
(Increase)/ decrease in stocks	(230,633)	33,093
Decrease in debtors	227,723	546,710
(Decrease)/ increase in creditors	(56,100)	55,999
Increase in provisions	125,106	13,871
Net cash inflow from operating activities	1,104,205	2,475,141

25 Changes in net funds

	Brought forward	Cash flows	Exchange movements	Other changes	Carried forward
	£	£	£	£	£
Cash at bank and in hand	2,663,879	(232,023)	-	-	2,431,856
Overdrafts	(600,920)	199,724	-	-	(401,196)
	<u>2,062,959</u>	<u>(32,299)</u>	<u>-</u>	<u>-</u>	<u>2,030,660</u>
Debts due within one year	(301,296)	404,201	(4,139)	(812,306)	(713,540)
Debts due in more than one year	(1,192,852)	(216,149)	-	812,306	(596,695)
	<u>568,811</u>	<u>155,753</u>	<u>(4,139)</u>	<u>-</u>	<u>720,425</u>

QUADRANT VENTURES MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2010 (continued)

26	Reconciliation of net cash flow to movement in net funds	2010 £	2009 £
	(Decrease)/increase in cash in the period	(32,299)	1,578,646
	Cash outflow/(inflow) from decrease/(increase) in debt financing	188,052	(152,523)
	Exchange movements	(4,139)	8,417
		<hr/>	<hr/>
	Movement in net funds	151,614	1,434,540
	Net funds/(debt) brought forward	568,811	(865,729)
		<hr/>	<hr/>
	Net funds carried forward	<u>720,425</u>	<u>568,811</u>

27 Guarantees and other financial commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31 December 2011

Group	2010		2009	
	Land & buildings £	Other £	Land & buildings £	Other £
Expiring				
Within one year	-	54,726	-	37,397
In two to five years	-	90,221	-	117,258
After five years	156,180	-	156,180	-
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>156,180</u>	<u>144,947</u>	<u>156,180</u>	<u>154,655</u>

The company has a cross guarantee with the following companies given to National Westminster Bank plc against advances by the bank to these companies. The advance at 31 December 2010 totalled £516,320 (2009 £591,320)

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

QUADRANT VENTURES MANAGEMENT SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2010 *(continued)*

28 Share options

On 27 August 2010 the Quadrant Ventures Management Services Limited EMI share option scheme was replaced by the Quadrant Ventures Limited EMI share option scheme. This discretionary scheme permits the grant of options to all eligible employees of the group. The options are exercisable upon a contingent sales price of the group at an unspecified future date, and expire 10 years after the date of the grant.

The options in Quadrant Ventures Management Services Limited, previously granted on 25 November 2008, have been cancelled and released and replaced by a maximum of up to 18,968 options over ordinary shares in Quadrant Ventures Limited and at 31 December 2010 these were all outstanding.

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

The weighted average contractual life of the options as at 31 December 2010 was 6.92 years.

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

All of the options have been granted to a director of the company.

29 Contingent liabilities

The company is part of a group VAT election and is therefore jointly and severally liable for the VAT liability of other group companies. The liability at the year end is £333,266 (2009 £275,228).

30 Post balance sheet events

On 10 March 2011 the company completed the sale of its subsidiaries, Designplan Lighting Limited and Designplan International Limited, for initial cash consideration of £10,848,250. Additional consideration of up to £2 million is dependent upon the trading results of the companies sold in the year following completion of the sale.