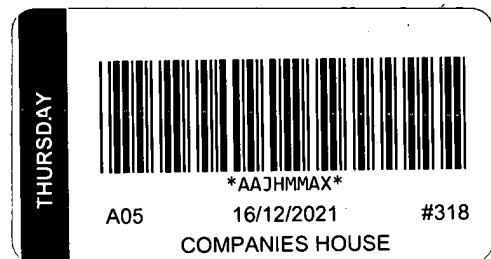


FUTURE DESIGNS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



FUTURE DESIGNS LIMITED

COMPANY INFORMATION

Directors	D S Clements L L Ellis P Noad O F Clements (appointed 1 March 2021)
Company secretary	K Clements
Registered number	02442948
Registered office	1 Vincent Square London SW1P 2PN
Independent auditors	Wellers Accountants & Statutory Auditors 1 Vincent Square London SW1P 2PN

FUTURE DESIGNS LIMITED

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Statement of cash flows	13
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FUTURE DESIGNS LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Introduction

The directors present the strategic report for the year ended 31 December 2020.

Business review

Building off the back of a successful 2018, the business started 2019 with a healthy order book and potential to achieve the sales target of £9.0m during 2020. However due to exceptional circumstances this was not the case resulting in £4.85m turnover. Several key factors outside of our control has limited our ability to secure and convert enquiries into sales orders. These issues can be broken down into three areas.

- The sudden resignation of the sales director.
- Continued uncertainty of Brexit.
- Covid 19 epidemic.

Losing a third of the sales team suddenly significantly affected the ability to cover the ground to generate and convert new enquiries into sales orders. We also found due to the uncertainty of Brexit contractors and specifiers were delaying placing orders often leaving it to just a few weeks before being needed on site. The unprecedented Covid-19 epidemic was catastrophic for us, seeing London and our showroom closed with no access to our clients and high levels of enquires and converted orders put on hold. Albeit the business remained open with office personnel working from home we took no advantage of the furlough scheme and government grants.

The year was troubling in so far as covid and the demands of our government led to us having to virtually shut our sales division down due to there being no face to face contact. Add to this the decision to insist everyone who could worked from home led to many projects of office fit out being put on hold. This was all at a time when we had heavily invested in a new sales director who was unable to carry out his role.

FUTURE DESIGNS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Principal risks and uncertainties

The key risks and uncertainties faced by the business arise from the external environment. Other than the impact of the Covid-19 pandemic, which is discussed in more detail later in this report, the key corporate risks identified by the company include:

- Competition and market risks
- The impact of Brexit

The trade deal between the United Kingdom and the European Union ('EU') came into effect on 1 January 2021 upon the UK leaving the EU. These are very early stages and the deal is complex, the directors continue to monitor and assess the ongoing situation.

The key areas of risk set out in the 'Principal risks and uncertainties' above are exasperated as a result of the Covid-19 pandemic, with many businesses closed for months and a significant volume of the workforce working from home. The company's risks have been assessed alongside their potential impact and we continue to closely monitor the ongoing situation.

In addition to the above, other principal risks are as follows:

Competitive risk

The company manages competitive trading risk by providing added value services to its customers, having fast response times, not only in supplying products, but also in handling all customer queries and, additionally, by maintaining strong relationships with customers.

Market risk

The company depends, to a large extent, on the state of the market in the lighting sector. The company manages its risk by maintaining a wide customer base, offering innovative solutions to customers and exploring other markets across a range of geographical locations.

Liquidity risk

The liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. It is ensured that sufficient funds are available to meet amounts due and by negotiating extended credit terms with suppliers where necessary.

The company protects its liquidity by ensuring there are adequate funds available to meet repayments.

Credit risk

Credit risk is managed by agreeing payment terms in advance. Appropriate credit control procedures are followed to manage perceived credit risk.

Trade receivables 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.

Financial key performance indicators

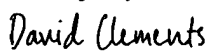
The directors consider that the principal key performance indicators relating to the company are the gross profit levels included within these financial statements.

The results of the company as set out on page 8 show sales of £4.850m (2019: £7.993m) and profit before tax of £0.365m (2019: £1.230m).

FUTURE DESIGNS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

This report was approved by the board and signed on its behalf.

DocuSigned by:

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D S Clements
Director

Date: 13-12-21

FUTURE DESIGNS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report and the financial statements for the year ended 31 December 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £296,759 (2019 - £952,778).

Dividends of £580,935 were paid during the year (2019: £384,000)

Directors

The directors who served during the year were:

D S Clements
L L Ellis
P Noad
B J Terry (resigned 21 March 2019)

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

FUTURE DESIGNS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Post balance sheet events

The Company continues to monitor the effects of COVID-19 outbreak which has been declared as a pandemic by the World Health Organization. The outbreak has not only prompted widespread health concerns, but has caused recent deteriorations in global market conditions. The eventual outcome is highly uncertain and is largely dependent on how successful authorities are at containing and managing the outbreak.

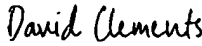
The Board of Directors considers the emergence of the COVID-19 coronavirus pandemic to be a non-adjusting post balance sheet event and hence any future impact is likely to be in connection with the assessment of the fair value of assets and liabilities affected, in future periods investments at future valuation dates.

There are no other significant subsequent events that need to be disclosed or reflected in the annual accounts.

Auditors

The auditors, Wellers, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

DocuSigned by:

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D S Clements
Director

Date: 13-12-21

FUTURE DESIGNS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FUTURE DESIGNS LIMITED

Opinion

We have audited the financial statements of Future Designs Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of income and retained earnings, the Balance sheet, the Statement of cash flows and the related notes, 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 Company's affairs as at 31 December 2020 and of its 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

FUTURE DESIGNS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FUTURE DESIGNS LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 4, 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 is 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 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 Company or to cease operations, or have no realistic alternative but to do so.

FUTURE DESIGNS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FUTURE DESIGNS LIMITED (CONTINUED)

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 an Auditors' report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions were held with, and enquiries made of, management and those charged with governance with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity. The following laws and regulations were identified as being of significance to the entity:

Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation, health and safety and employment law.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

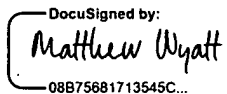
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

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 an Auditors' 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.

FUTURE DESIGNS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FUTURE DESIGNS LIMITED (CONTINUED)

DocuSigned by:

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Matthew Wyatt (Senior statutory auditor)
for and on behalf of

Wellers

Accountants

Statutory Auditors

1 Vincent Square

London

SW1P 2PN

Date: 13-12-21

FUTURE DESIGNS LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	3	4,850,075	7,993,353
Cost of sales		(2,800,596)	(4,578,397)
Gross profit		2,049,479	3,414,956
Administrative expenses		(1,691,569)	(2,220,807)
Operating profit		357,910	1,194,149
Interest receivable and similar income	7	6,787	35,812
Profit before tax		364,697	1,229,961
Tax on profit	8	(67,938)	(277,183)
Profit after tax		296,759	952,778
Retained earnings at the beginning of the year		6,608,256	6,039,478
		6,608,256	6,039,478
Profit for the year		296,759	952,778
Dividends declared and paid		(580,935)	(384,000)
Retained earnings at the end of the year		6,324,080	6,608,256

The notes on pages 14 to 23 form part of these financial statements.

FUTURE DESIGNS LIMITED
REGISTERED NUMBER: 02442948

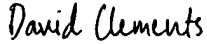
BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	10	338,400	360,742
		<u>338,400</u>	<u>360,742</u>
Current assets			
Stocks		430,559	272,817
Debtors: amounts falling due within one year	11	1,086,256	1,403,856
Cash at bank and in hand	12	5,281,439	5,160,089
		<u>6,798,254</u>	<u>6,836,762</u>
Creditors: amounts falling due within one year	13	(812,474)	(589,148)
Net current assets		<u>5,985,780</u>	<u>6,247,614</u>
Total assets less current liabilities		<u>6,324,180</u>	<u>6,608,356</u>
Net assets		<u>6,324,180</u>	<u>6,608,356</u>
Capital and reserves			
Called up share capital	14	100	100
Profit and loss account		6,324,080	6,608,256
		<u>6,324,180</u>	<u>6,608,356</u>

**FUTURE DESIGNS LIMITED
REGISTERED NUMBER: 02442948**

**BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020**

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

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D S Clements
Director

Date: 13-12-21

The notes on pages 14 to 23 form part of these financial statements.

FUTURE DESIGNS LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	296,759	952,778
Adjustments for:		
Depreciation of tangible assets	116,017	115,627
Loss on disposal of tangible assets	(10,550)	-
Interest received	(6,786)	(35,811)
Taxation charge	67,938	277,183
(Increase)/decrease in stocks	(157,742)	402,679
Decrease in debtors	317,602	692,026
Increase/(decrease) in creditors	203,361	(806,830)
Corporation tax (paid)	(47,974)	(542,200)
Net cash generated from operating activities	778,625	1,055,452
Cash flows from investing activities		
Purchase of tangible fixed assets	(105,127)	(40,508)
Sale of tangible fixed assets	22,000	-
Interest received	6,787	35,812
Net cash from investing activities	(76,340)	(4,696)
Cash flows from financing activities		
Dividends paid	(580,935)	(384,000)
Net cash used in financing activities	(580,935)	(384,000)
Net increase in cash and cash equivalents	121,350	666,756
Cash and cash equivalents at beginning of year	5,160,089	4,493,333
Cash and cash equivalents at the end of year	5,281,439	5,160,089
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	5,281,439	5,160,089
	5,281,439	5,160,089

The notes on pages 14 to 23 form part of these financial statements.

FUTURE DESIGNS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Future Designs Limited is a limited liability company. The company is incorporated in England and Wales. The registered office is 1 Vincent Square, London, SW1P 2PN.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

FUTURE DESIGNS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.3 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 10 years
S/Term Leasehold Property	- 20%-25% on cost
Plant & machinery	- 20%-25% on cost
Motor vehicles	- 20%-25% on cost
Fixtures & fittings	- 20%-25% on cost
Computer equipment	- 20%-25% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

FUTURE DESIGNS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.11 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Interest income

Interest income is recognised in profit or loss using the effective interest method.

FUTURE DESIGNS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.14 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.15 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

3. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Sales	4,850,075	7,993,353
	<u>4,850,075</u>	<u>7,993,353</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	4,148,431	7,625,860
Rest of the world	701,644	367,493
	<u>4,850,075</u>	<u>7,993,353</u>

FUTURE DESIGNS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Auditors' remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £9,500 (2019 - 9,500).

5. Employees

	2020 £	2019 £
Wages and salaries	1,210,508	1,448,323
Social security costs	107,693	122,542
Cost of defined contribution scheme	34,973	83,242
	<u>1,353,174</u>	<u>1,654,107</u>

The average monthly number of employees, including directors, during the year was 44 (2019 - 55).

6. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	60,520	185,726
Company contributions to defined contribution pension schemes	4,043	4,275
	<u>64,563</u>	<u>190,001</u>

During the year retirement benefits were accruing to 2 directors (2019 - 2) in respect of defined contribution pension schemes.

7. Interest receivable

	2020 £	2019 £
Other interest receivable	6,787	35,812
	<u>6,787</u>	<u>35,812</u>

FUTURE DESIGNS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	67,938	217,984
Adjustments in respect of previous periods	-	59,199
	67,938	277,183
Total current tax	67,938	277,183

Factors affecting tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19% (2019 - 19%).

9. Dividends

	2020 £	2019 £
Dividends analysis	580,935	384,000
	580,935	384,000

FUTURE DESIGNS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Tangible fixed assets

	Freehold property £	S/Term Leasehold Property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £
Cost or valuation					
At 1 January 2020	300,278	220,140	170,490	65,150	94,690
Additions	-	24,475	749	73,564	389
Disposals	-	-	-	(57,250)	-
At 31 December 2020	<u>300,278</u>	<u>244,615</u>	<u>171,239</u>	<u>81,464</u>	<u>95,079</u>
Depreciation					
At 1 January 2020	89,190	198,203	102,951	53,700	66,849
Charge for the year on owned assets	30,028	13,290	30,479	18,391	9,654
Disposals	-	-	-	(45,800)	-
At 31 December 2020	<u>119,218</u>	<u>211,493</u>	<u>133,430</u>	<u>26,291</u>	<u>76,503</u>
Net book value					
At 31 December 2020	<u>181,060</u>	<u>33,122</u>	<u>37,809</u>	<u>55,173</u>	<u>18,576</u>
At 31 December 2019	<u>211,088</u>	<u>21,937</u>	<u>67,539</u>	<u>11,450</u>	<u>27,841</u>

FUTURE DESIGNS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Tangible fixed assets (continued)

	Computer equipment £	Total £
Cost or valuation		
At 1 January 2020	115,570	966,318
Additions	5,949	105,126
Disposals	-	(57,250)
At 31 December 2020	<u>121,519</u>	<u>1,014,194</u>
Depreciation		
At 1 January 2020	94,684	605,577
Charge for the year on owned assets	14,175	116,017
Disposals	-	(45,800)
At 31 December 2020	<u>108,859</u>	<u>675,794</u>
Net book value		
At 31 December 2020	<u>12,660</u>	<u>338,400</u>
At 31 December 2019	<u>20,887</u>	<u>360,742</u>

11. Debtors

	2020 £	2019 £
Trade debtors	702,947	641,683
Other debtors	290,942	749,798
Prepayments and accrued income	92,367	12,375
	<u>1,086,256</u>	<u>1,403,856</u>

FUTURE DESIGNS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	5,281,439	5,160,089
	<u>5,281,439</u>	<u>5,160,089</u>

13. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	180,681	200,723
Corporation tax	66,893	46,929
Other taxation and social security	214,619	206,625
Other creditors	36,086	52,102
Accruals and deferred income	314,195	82,769
	<u>812,474</u>	<u>589,148</u>

14. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
100 (2019 - 100) Ordinary shares of £1.00 each	100	100
	<u>100</u>	<u>100</u>

15. Pension commitments

The Company contributes to a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £34,973 (2019 - £83,242). Contributions totalling £10,838 (2019 - £8,866) were payable to the fund at the balance sheet date and are included in creditors.

FUTURE DESIGNS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. Related party transactions

At the year end D S Clements, owed £Nil (2019: £706,685) to the company. Advances and repayments in the year totalled £706,685 respectively. Interest is being charged at the official rate of 2.5% and there are no strict repayment terms in place.

At the year end, amounts of £5,669 (2019: £3,569), £18,637 (2019: £16,537), and £214,834 were owed from Aquila Switchgear Ltd, FD Creative Ltd and Human Lumen Ltd, companies under common control, to the company. The loans are interest free and no repayment terms had been agreed at the balance sheet date.

17. Post balance sheet events

The Company continues to monitor the effects of COVID-19 outbreak which has been declared as a pandemic by the World Health Organization. The outbreak has not only prompted widespread health concerns, but has caused recent deteriorations in global market conditions. The eventual outcome is highly uncertain and is largely dependent on how successful authorities are at containing and managing the outbreak. For further information concerning the assessment of COVID-19 impact on the Financial Statements please refer to Note 2 of the Financial Statements.

The Board of Directors considers the emergence of the COVID-19 coronavirus pandemic to be a non-adjusting post balance sheet event and hence any future impact is likely to be in connection with the assessment of the fair value of assets and liabilities affected, in future periods investments at future valuation dates.

There are no other significant subsequent events that need to be disclosed or reflected in the annual accounts.

18. Controlling party

The company is a wholly owned subsidiary of Mia 18 Limited, a company registered in England and Wales. During both the current and previous year, the company was under the control of D S Clements, by virtue of his majority shareholding of the parent company.