

**Company Registration No. 00784246 (England and Wales)**

**DESIGNPLAN LIGHTING LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2021**



# DESIGNPLAN LIGHTING LIMITED

## COMPANY INFORMATION

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**Directors**  
D Barnes (Managing Director)  
M Wood  
Dr G Van Der Meer  
P Muir  
B Sonesson  
S Tilling  
L J Marchant

**Company number** 00784248

**Registered office** 16 Kimpton Park Way  
Sutton  
Surrey  
SM3 9QS

**Auditor** RSM UK Audit LLP  
Chartered Accountants  
3rd Floor  
Portland  
25 High Street  
Crawley  
West Sussex  
RH10 1BG

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# DESIGNPLAN LIGHTING LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present the strategic report for the year ended 31 December 2021.

#### **Fair review of the business**

It was a successful year, with sales growth of 20%. We saw growth in both our target markets of UK and Germany despite the delays experienced on projects because of the global supply chain pressures. The UK also won the second largest infrastructure project in the company's history in HMP Glen Parva.

Our margin percentage held up to 2020 despite the significant rise in commodity prices experienced across the globe due to our proactive approach to building up inventory and reviewing pricing.

The result of these actions has however, had a negative impact on our working capital, with our closing inventory significantly higher than the previous year-end.

The company looks ahead to 2022 with genuine optimism to build on our 2021 performance. We will continue to focus on our well funded key markets and sectors where our strategy to develop innovative solutions that fit the needs of those sectors has already delivered tangible success and we carry a strong order book and opportunity bank forwards.

The company will also continue to leverage the global presence of the Fagerhult Group to further penetrate international markets where our product portfolio is relevant.

#### **Going concern and Covid-19**

The worldwide pandemic of Covid-19 has continued to have an adverse impact on economies globally, specifically in commodity prices and on supply chains, the latter leading to project delays. Whilst the directors are unable to predict the future impact on the company's operations, the strength of the 2021 financial results in conjunction with carrying an order book into 2022 that is not only significantly bigger than the end of 2020, but also significantly bigger than the pre-pandemic 2019 level, gives tangible optimism. Cash reserves have reduced, but again, this was a strategic procurement strategy to weather the increasing commodity prices. The significant order book alongside the strong opportunity bank give the directors the required assurance that the company has adequate resources to continue in operational existence for the foreseeable future, and as a minimum for a period of at least 12 month from the date of approval of these financial statements. Consequently, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Research and development**

During 2021 the company continued to develop new and second-generation light fittings in line with Section 18 of FRS102.

#### **Existence of overseas branches**

The company has a German branch, as defined in s1046(3) of the Companies Act 2006. The results of the branch are consolidated within the results of the company and are not disclosed separately.

#### **Principal risks and uncertainties**

The ongoing worldwide pandemic of Covid-19 continues to pose a threat to the short-term performance of the company, with the new Omicron variant anticipated to have a continued knock on effect to commodity prices and project delays. However, our industry has already proven that it is more adept at operating through the challenging environment and the business has maintained its cost base in line with the cost restructuring exercise of 2020, therefore, we expect to not only remain profitable but to grow. However, there is a great deal of uncertainty as to the longevity of the crisis and should the economic impacts be longer lasting then the risk to the business will increase proportionally.

#### **Treasury**

The main treasury risk arises from exchange rate fluctuation. The company manages the risk from exchange rates by trading with customers and suppliers in the same currencies where possible.

# DESIGNPLAN LIGHTING LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### Key performance indicators

The board and management monitor the progress of a number of KPIs as follows:

	<u>2021</u>	<u>2020</u>
Turnover	£13,656,095	£11,383,050
Sales growth (%)	+20%	-21%
Gross margin	£6,676,613	£5,358,399
Gross margin (%)	49%	47%
Operating profit	£538,485	£12,228

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On behalf of the board

  
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L J Marchant

Director

Date: 17<sup>th</sup> May 2022

# DESIGNPLAN LIGHTING LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their annual report and financial statements for the year ended 31 December 2021.

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of research and development, and existence of overseas branches.

#### Principal activities

The principal activity of the company continued to be that of design, manufacture and sale of light fittings.

#### Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £800,000 (2020: £1,250,000). The directors do not recommend payment of a further dividend.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D Barnes (Managing Director)

M Wood

B Harris

(Resigned 16 April 2021)

Dr G Van Der Meer

P Muir

B Sonesson

S Tilling

L J Marchant

(Appointed 23 August 2021)

#### Auditor

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

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



L J Marchant

Director

Date: 17th May 2022

# **DESIGNPLAN LIGHTING LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors are responsible for preparing the Strategic Report and 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 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 and then apply them consistently;
  - make judgements 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.
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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 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.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DESIGNPLAN LIGHTING LIMITED**

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## **Opinion**

We have audited the financial statements of Designplan Lighting Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditor's 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 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**

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.

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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.

## **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DESIGNPLAN LIGHTING LIMITED (CONTINUED)**

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### **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.

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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.

### **Auditor's 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 auditor's 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.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DESIGNPLAN LIGHTING LIMITED (CONTINUED)


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As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, compliance with the Companies Act 2006 and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included, reviewing financial statement disclosures, completion of disclosure checklists and testing to supporting documentation to identify areas of non-compliance.

The audit engagement team identified the risk of management override of controls, calculation of the warranty and stock provisions, capitalisation of development expenditure and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates applied in the financial statements and risk areas outlined above.

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



Jonathan Ericson BA FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
3rd Floor  
Portland  
25 High Street  
Crawley  
West Sussex, RH10 1BG  
18 May 2022

# DESIGNPLAN LIGHTING LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	13,656,095	11,383,050
Cost of sales		(6,979,482)	(6,024,651)
<b>Gross profit</b>		<b>6,676,613</b>	<b>5,358,399</b>
Distribution costs		(952,478)	(824,868)
Administrative expenses		(5,208,489)	(4,760,759)
Other operating income		22,839	239,456
<b>Operating profit</b>	<b>6</b>	<b>538,485</b>	<b>12,228</b>
Interest receivable and similar income	8	751	1,890
Interest payable and similar expenses	9	(51)	(119)
<b>Profit before taxation</b>		<b>539,185</b>	<b>13,999</b>
Tax on profit	10	(134,745)	(18,999)
<b>Profit/(loss) for the financial year</b>		<b>404,440</b>	<b>(5,000)</b>

**DESIGNPLAN LIGHTING LIMITED****STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Intangible assets	12	304,847		304,847	
Tangible assets	13	1,895,555		2,171,204	
Investments	14	-		2	
		<u>2,200,402</u>		<u>2,476,053</u>	
<b>Current assets</b>					
Stocks	15	1,508,732		1,059,923	
Debtors	16	2,382,260		2,064,757	
Cash at bank and in hand		726,768		2,055,472	
		<u>4,617,760</u>		<u>5,180,152</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(2,440,845)</u>		<u>(2,728,662)</u>	
<b>Net current assets</b>		<u>2,176,915</u>		<u>2,451,490</u>	
<b>Total assets less current liabilities</b>		<u>4,377,317</u>		<u>4,927,543</u>	
<b>Provisions for liabilities</b>	18	<u>(630,642)</u>		<u>(785,308)</u>	
<b>Net assets</b>		<u><u>3,746,675</u></u>		<u><u>4,142,235</u></u>	
<b>Capital and reserves</b>					
Called up share capital	21	360,300		360,300	
Capital redemption reserve	22	214,575		214,575	
Profit and loss reserves	22	3,171,800		3,567,360	
<b>Total equity</b>		<u><u>3,746,675</u></u>		<u><u>4,142,235</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 18th May 2022 and are signed on its behalf by:

L J Marchant  
L J Marchant  
Director

# DESIGNPLAN LIGHTING LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2020</b>		360,300	214,575	4,822,360	5,397,235
<b>Year ended 31 December 2020:</b>					
Loss and total comprehensive income for the year		-	-	(5,000)	(5,000)
Dividends	11	-	-	(1,250,000)	(1,250,000)
<b>Balance at 31 December 2020</b>		360,300	214,575	3,567,360	4,142,235
<b>Year ended 31 December 2021:</b>					
Profit and total comprehensive income for the year		-	-	404,440	404,440
Dividends	11	-	-	(800,000)	(800,000)
<b>Balance at 31 December 2021</b>		360,300	214,575	3,171,800	3,746,675

# DESIGNPLAN LIGHTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

#### Company information

Designplan Lighting Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 16 Kimpton Park Way, Sutton, Surrey, SM3 9QS.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of AB Fagerult. These consolidated financial statements are available from its registered office, AB Fagerhult, SE-566 80 Habo, Sweden.

#### Going concern

The company's business activities together with the factors likely to affect its future development, performance and position, including the impact of Covid-19, are set out in the review of the business on page 1. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and as a minimum for a period of at least 12 month from the date of approval of these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### Turnover

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods in the ordinary nature of the business. Turnover is shown net of Value Added Tax, and is recognised when goods are provided to customers upon dispatch.

# DESIGNPLAN LIGHTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies (Continued)

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

Turnover from bill-and-hold sales arises where delivery is delayed at the customer's request, but where the customer takes title and accepts billing. Turnover from bill-and-hold sales is recognised when the buyer takes title, provided that it is probable that delivery will be made, the item is identified and ready for delivery to the buyer at the time the sale is recognised, the buyer specifically acknowledges the deferred delivery instructions and the usual payment terms apply. Turnover is not recognised when there is simply an intention to acquire or manufacture the goods in time for delivery.

#### **Intangible fixed assets other than goodwill**

Development expenditure is carried forward when its future recoverability can be foreseen with reasonable assurance and it is amortised over the products useful life. The capitalised development expenditure is stated at cost net of amortisation less any provision for impairment. All research and other development costs are written off as incurred.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful life, which is deemed to be 5 years straight line when the product is live or launched.

#### **Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Long leasehold land and buildings	over the length of the lease
Plant, machinery and tools	3 to 20 years straight line
Computer, furniture and fittings	3 to 20 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### **Fixed asset investments**

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Allowance has been made for obsolete or slow moving items.

# DESIGNPLAN LIGHTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies (Continued)

##### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand and other short-term liquid investments with original maturities of three months or less.

##### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

##### **Impairment of financial assets**

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

# DESIGNPLAN LIGHTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies (Continued)

#### Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

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 that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised 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 substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Provisions are made for liabilities arising in respect of potential sales agency commissions under an EU Agency Directive and costs associated with honouring our product warranty agreements.

#### Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.



# DESIGNPLAN LIGHTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies (Continued)

#### Retirement benefits

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

#### Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

# DESIGNPLAN LIGHTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 2 Judgements and key sources of estimation uncertainty (Continued)

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Warranty provision

Warranty provisions are an extrapolation based on the cost of honouring past claims applied to recent trading levels, plus any specific liabilities that the company may be aware of.

#### Stock provision

Provisions are recognised when there is objective evidence of impairment or obsolescence of stock items. The provision is calculated based on the analysis of historic usage and expected future use of stock lines, and represents the expected write-down between the estimated net-realizable value and the original cost. Net realisable value represents the estimated selling price less all estimated costs of completion

#### Capitalisation of intangible fixed assets

Intangible fixed assets are capitalised based on expected future performance of products and are written off over their expected useful life.

#### Dilapidations

The company has recognised a dilapidations provision in the balance sheet as the company has a liability to restore its leased premises to their original condition at the expiry of the lease. Management have used available data and their knowledge of historic adjustments made to the site with reference to the terms of the lease, and have estimated that the cost of the restoration is expected to be £35,000 as at 31 December 2021; this will be kept under annual review.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2021 £	2020 £
<b>Turnover analysed by class of business</b>		
Sales of goods	13,656,095	11,383,050
	<u>          </u>	<u>          </u>
	2021 £	2020 £
<b>Other revenue</b>		
Interest income	751	1,890
Grants received	-	239,456
	<u>          </u>	<u>          </u>

Grants received of £239,456 in the prior year relate to government support received from the job retention scheme.

# DESIGNPLAN LIGHTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 3 Turnover and other revenue (Continued)

	2021 £	2020 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	9,731,513	8,641,167
Overseas sales	3,924,582	2,741,883
	<u>13,656,095</u>	<u>11,383,050</u>

#### 4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Production staff	44	25
Sales	30	57
Administration	39	44
Total	<u>113</u>	<u>126</u>

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	5,208,549	4,681,254
Social security costs	403,832	395,333
Pension costs	113,322	117,083
	<u>5,725,703</u>	<u>5,193,670</u>

#### 5 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	467,836	387,216
Company pension contributions to defined contribution schemes	25,641	18,095
Compensation for loss of office	-	23,581
	<u>493,477</u>	<u>428,892</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2020 - 5).

# DESIGNPLAN LIGHTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 5 Directors' remuneration (Continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	131,208	124,673
Company pension contributions to defined contribution schemes	6,090	5,882

### 6 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	33,862	(31,984)
Government grants	-	(239,456)
Depreciation of owned tangible fixed assets	419,138	454,504
(Profit)/loss on disposal of tangible fixed assets	-	14,639
Amortisation of intangible assets	62,626	47,352
Operating lease charges	922,741	952,012

### 7 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	28,750	18,500
<b>For other services</b>		
Taxation compliance services	3,600	2,600
Other taxation services	-	5,500
All other non-audit services	5,150	2,850
	8,750	10,950

### 8 Interest receivable and similar income

	2021 £	2020 £
<b>Interest income</b>		
Interest on bank deposits	-	1,890
Other interest income	751	-
Total income	751	1,890

# DESIGNPLAN LIGHTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 9 Interest payable and similar expenses

	2021	2020
	£	£
Other interest	51	119

### 10 Taxation

	2021	2020
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	132,939	25,942
Adjustments in respect of prior periods	24,408	(59,808)
Total UK current tax	157,347	(33,866)
Adjustments in foreign tax in respect of prior periods	(18,897)	42,861
Total current tax	138,450	8,995
<b>Deferred tax</b>		
Origination and reversal of timing differences	(40,427)	(17,874)
Changes in tax rates	47,273	18,749
Adjustment in respect of prior periods	(10,551)	9,129
Total deferred tax	(3,705)	10,004
Total tax charge	134,745	18,999

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2021	2020
	£	£
Profit before taxation	539,185	13,999
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	102,445	2,660
Tax effect of expenses that are not deductible in determining taxable profit	3,442	1,994
Adjustments in respect of prior years	(5,040)	(50,679)
Research and development tax credit	(4,339)	-
Foreign tax adjustments	-	42,861
Remeasurement of deferred tax for changes in tax rates	37,570	18,750
Fixed asset differences	667	3,413
Taxation charge for the year	134,745	18,999

# DESIGNPLAN LIGHTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 10 Taxation (Continued)

The company has brought forward capital losses of £167,373 (2020: £167,373) which are available to offset capital gains in the future.

With effect from 1 April 2020 the enacted UK main corporation tax rate was held at 19%, and deferred tax has therefore been recognised at the 31 December 2021 enacted rate of 19%.

In the March 2021 Budget, it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the company's future tax charge.

### 11 Dividends

	2021 Per share £	2020 Per share £	2021 Total £	2020 Total £
<b>Ordinary</b>				
Interim paid	2.22	3.47	800,000	1,250,000

### 12 Intangible fixed assets

	Product development £
<b>Cost</b>	
At 1 January 2021	445,778
Additions	148,175
Transfers to tangible fixed assets	(85,549)
At 31 December 2021	508,404
<b>Amortisation and impairment</b>	
At 1 January 2021	140,931
Amortisation charged for the year	62,626
At 31 December 2021	203,557
<b>Carrying amount</b>	
At 31 December 2021	304,847
At 31 December 2020	304,847

The amortisation charge for the year is recognised within cost of sales.

# DESIGNPLAN LIGHTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 13 Tangible fixed assets

	Long leasehold land and buildings	Plant, machinery and tools	Computer, furniture and fittings	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2021	913,643	3,848,862	821,627	5,584,132
Additions	-	26,094	31,846	57,940
Transfers from intangible fixed assets	-	85,549	-	85,549
At 31 December 2021	913,643	3,960,505	853,473	5,727,621
<b>Depreciation and impairment</b>				
At 1 January 2021	331,404	2,502,306	579,218	3,412,928
Depreciation charged in the year	54,179	281,957	83,002	419,138
At 31 December 2021	385,583	2,784,263	662,220	3,832,066
<b>Carrying amount</b>				
At 31 December 2021	528,060	1,176,242	191,253	1,895,555
At 31 December 2020	582,239	1,346,556	242,409	2,171,204

### 14 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries		-	2
<b>Movements in fixed asset investments</b>			
			<b>Shares in group undertakings £</b>
<b>Cost or valuation</b>			
At 1 January 2021			2
Disposals			(2)
At 31 December 2021			-
<b>Carrying amount</b>			
At 31 December 2021			-
At 31 December 2020			2

On 20 July 2021 Designplan International Limited was dissolved.

# DESIGNPLAN LIGHTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 15 Stocks

	2021 £	2020 £
Raw materials and consumables	1,176,692	806,750
Work in progress	194,890	115,546
Finished goods and goods for resale	137,150	137,627
	<u>1,508,732</u>	<u>1,059,923</u>

During the year, an impairment loss on finished goods of £75,979 (2020: £29,699) was recognised in cost of sales.

### 16 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,801,368	1,414,763
Corporation tax recoverable	33,534	169,710
Amounts owed by group undertakings	371,271	197,239
Other debtors	-	1,950
Prepayments and accrued income	175,006	280,157
	<u>2,381,179</u>	<u>2,063,819</u>
<b>Amounts falling due after more than one year:</b>		
Other debtors	1,081	938
	<u>1,081</u>	<u>938</u>
<b>Total debtors</b>	<u>2,382,260</u>	<u>2,064,757</u>

During the year, £12,000 (2020: £20,063) was charged to the profit and loss in respect of trade receivables due from customers from whom payment was deemed doubtful.

Included within Group Debtors is £158,546 (2020: £nil) which relates to Designplan's share of the group cash pool. This is immediately withdrawable on demand.



# DESIGNPLAN LIGHTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 17 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	1,030,838	824,525
Payments on account	51,217	112,066
Amounts due to group undertakings	35,487	4,087
Other taxation and social security	218,797	488,173
Other creditors	24,581	24,944
Accruals and deferred income	1,079,925	1,274,867
	<u>2,440,845</u>	<u>2,728,662</u>

### 18 Provisions for liabilities

	Notes	2021 £	2020 £
Commercial agent indemnity provision		133,501	262,055
Warranty provision		<u>340,600</u>	<u>363,007</u>
		474,101	625,062
Deferred tax liabilities	19	<u>156,541</u>	<u>160,246</u>
		<u>630,642</u>	<u>785,308</u>

#### Movements on provisions apart from deferred tax liabilities:

	Commercial agent indemnity provision £	Warranty provision £	Total £
At 1 January 2021	262,055	363,007	625,062
Additional provisions in the year	17,686	122,561	140,247
Utilisation of provision	(146,240)	(144,968)	(291,208)
At 31 December 2021	<u>133,501</u>	<u>340,600</u>	<u>474,101</u>

A provision is made of £133,501 (2020: £262,055) at the rate of 0.5% of net invoiced sales generated by each agent, for amounts likely to be payable by the company to sales consultants operating in Europe on retirement, under the EU Agency Directive.

A provision has also been made of £340,600 (2020: £363,007) liabilities arising in respect of costs for product warranties.

# DESIGNPLAN LIGHTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 19 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2021 £	Liabilities 2020 £
<b>Balances:</b>		
Accelerated capital allowances	186,012	179,185
Other timing differences	(29,471)	(18,939)
	<u>156,541</u>	<u>160,246</u>
<b>Movements in the year:</b>		<b>2021 £</b>
Liability at 1 January 2021		160,246
Credit to profit or loss		(3,705)
Liability at 31 December 2021		<u>156,541</u>

### 20 Retirement benefit schemes

	2021 £	2020 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>113,322</u>	<u>117,083</u>

The company operates a defined contribution scheme. The scheme is a funded defined contribution personal pension plan where the assets are held separately for individual members and are not available generally to all members.

At the balance sheet date there were outstanding contributions totalling £24,465 (2020: £24,522) due to the pension scheme.

### 21 Share capital

	2021 Number	2020 Number	2021 £	2020 £
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary of £1 each	<u>360,300</u>	<u>360,300</u>	<u>360,300</u>	<u>360,300</u>

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

### 22 Reserves

#### Capital redemption reserve

The nominal value of shares held at the end of the reporting period.

# DESIGNPLAN LIGHTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 22 Reserves (Continued)

##### Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

#### 23 Operating lease commitments

##### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	1,008,687	961,209
Between one and five years	3,736,362	3,620,246
In over five years	6,823,445	7,725,000
	<u>11,568,494</u>	<u>12,306,455</u>

#### 24 Ultimate controlling party

The company's immediate and ultimate parent company is AB Fagerhult, a company incorporated in Sweden.

The largest and smallest group preparing consolidated accounts that include the results of the company is AB Fagerhult. These accounts can be obtained from AB Fagerhult, SE-566 80 Habo, Sweden.