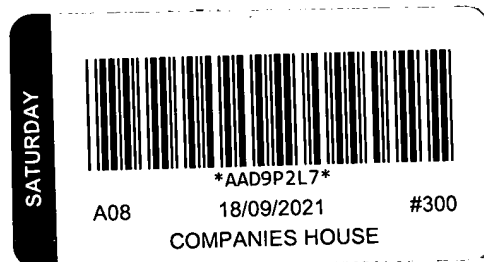


Company Registration No. 00784246 (England and Wales) —

**DESIGNPLAN LIGHTING LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2020**



# **DESIGNPLAN LIGHTING LIMITED**

## **COMPANY INFORMATION**

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

**Company number**            00784246

**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 2020

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

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

On the face of things, it was a disappointing year, with a 21% sales decline and small profit, after accounting for government grants of £239,456 and business rates relief of £173,964. However, in the context of a global pandemic, lockdowns, project delays and business failures, we are proud of this performance. 2020 was a year when a huge amount of work took place that isn't reflected in our financial statements and we expect the foundations that were laid to set the business up for greater success in the future.

Our gross margin percentage remained relatively steady against 2019.

Year-end working capital decreased, in line with the lower sales result.

The company will be looking to improve on its 2020 performance by continuing to focus on key market sectors and continuing to develop innovative solutions to fit the needs of those sectors. Our order book, opportunity bank and new product development pipeline all support this ambition.

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 had an adverse impact on economies globally. Whilst the directors are unable to predict the full extent of the impact on the company's operations, the directors have had regard to the impact of Covid-19 in considering their going concern assessment in respect of these financial statements. The directors have prepared forecasts, covering a period of at least 12 months from the date of approval of these financial statements, which take into consideration the possible impact of the current Covid-19 global pandemic on the company's operations, the actions taken to mitigate any such impact and the cash balances available to the company. In view of the cash reserves, order book and opportunity bank 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. Consequently, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Research and development**

During 2020 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 Covid19 continues to pose a threat to the short-term performance of the company. Despite that, with our industry more adept at operating through the challenging environment and the cost restructuring exercise done in 2020, we expect to remain profitable. 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 2020

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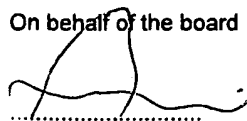
### Key performance indicators

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

	<u>2020</u>	<u>2019</u>
Turnover	£11,383,050	£14,471,148
Sales growth (%)	-21%	-15%
Gross margin	£5,358,399	£6,951,182
Gross margin (%)	47%	48%
Operating profit	£12,228	£653,992

Turnover fell due to the reasons outlined in the fair review of the business. Operating profit fell due to the margin lost on the sales decline, although buffered by cost saving initiatives.

On behalf of the board



B Harris  
Director

Date: 8/3/21

# DESIGNPLAN LIGHTING LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

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

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.

#### 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)

A Hawkins

(Resigned 3 January 2020)

M Wood

B Harris

Dr G Van Der Meer

P Muir

B Sonesson

S Tilling

(Appointed 1 October 2020)

#### Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £1,250,000 (2019: £3,000,000). The directors do not recommend payment of a further dividend.

#### 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

  
B Harris  
Director

Date: 8/3/21

# **DESIGNPLAN LIGHTING LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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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.

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 2020 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 2020 and of its loss 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.

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

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### **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.

### **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; or

### **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.



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

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### **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.

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, tax legislation and regulations governing the Coronavirus Job Retention Scheme. 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 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 in relation to revenue recognition, completion of controls and substantive testing.

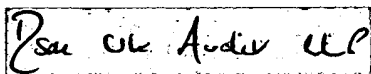
## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DESIGNPLAN LIGHTING LIMITED (CONTINUED)

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A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's 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 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  
3<sup>rd</sup> Floor  
Portland  
25 High Street  
Crawley  
West Sussex  
9 March 2021

# DESIGNPLAN LIGHTING LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	11,383,050	14,471,148
Cost of sales		(6,024,651)	(7,519,966)
<b>Gross profit</b>		<b>5,358,399</b>	<b>6,951,182</b>
Distribution costs		(824,868)	(1,129,949)
Administrative expenses		(4,760,759)	(5,196,064)
Other operating income		239,456	28,823
<b>Operating profit</b>	6	<b>12,228</b>	<b>653,992</b>
Interest receivable and similar income	8	1,890	13,276
Interest payable and similar expenses	9	(119)	(581)
<b>Profit before taxation</b>		<b>13,999</b>	<b>666,687</b>
Tax on profit	10	(18,999)	(126,922)
<b>(Loss)/profit for the financial year</b>		<b>(5,000)</b>	<b>539,765</b>

**DESIGNPLAN LIGHTING LIMITED****STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020**

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Intangible assets	12	304,847		267,804	
Tangible assets	13	2,171,204		2,590,167	
Investments	14	2		2	
		<u>2,476,053</u>		<u>2,857,973</u>	
<b>Current assets</b>					
Stocks	16	1,059,923		955,870	
Debtors	17	2,064,757		1,933,283	
Cash at bank and in hand		2,055,472		2,487,225	
		<u>5,180,152</u>		<u>5,376,378</u>	
<b>Creditors: amounts falling due within one year</b>	18	<u>(2,728,662)</u>		<u>(1,926,350)</u>	
<b>Net current assets</b>		<u>2,451,490</u>		<u>3,450,028</u>	
<b>Total assets less current liabilities</b>		<u>4,927,543</u>		<u>6,308,001</u>	
<b>Provisions for liabilities</b>	19	<u>(785,308)</u>		<u>(910,766)</u>	
<b>Net assets</b>		<u>4,142,235</u>		<u>5,397,235</u>	
<b>Capital and reserves</b>					
Called up share capital	22	360,300		360,300	
Capital redemption reserve	23	214,575		214,575	
Profit and loss reserves	23	3,567,360		4,822,360	
<b>Total equity</b>		<u>4,142,235</u>		<u>5,397,235</u>	

The financial statements were approved by the board of directors and authorised for issue on 8/3/21 and are signed on its behalf by:

  
B Harris  
Director

# DESIGNPLAN LIGHTING LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2019</b>		360,300	214,575	7,282,595	7,857,470
<b>Year ended 31 December 2019:</b>					
Profit and total comprehensive income for the year		-	-	539,765	539,765
Dividends	11	-	-	(3,000,000)	(3,000,000)
<b>Balance at 31 December 2019</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

# DESIGNPLAN LIGHTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### 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.

The company is exempt from the requirement to prepare group accounts as the subsidiary company under S402 of the Companies Act 2006 as the provisions of S405 apply and it is deemed that the subsidiary is not material for the purpose of giving a true and fair view. The accounts therefore reflect the results of the company as an individual undertaking and exclude the results of its subsidiary company.

##### 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. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

# DESIGNPLAN LIGHTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### 1 Accounting policies (Continued)

##### 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.

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.

# DESIGNPLAN LIGHTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies (Continued)

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.

##### **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.



# DESIGNPLAN LIGHTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

---

### 1 Accounting policies (Continued)

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

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

#### ***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.

# DESIGNPLAN LIGHTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies (Continued)

##### 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.

##### 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 2020

#### 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 realisable 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 £30,000 as at 31 December 2020; this will be kept under annual review.

#### 3 Turnover and other revenue

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

	2020 £	2019 £
<b>Turnover analysed by class of business</b>		
Sales of goods	11,383,050	14,471,148
	<hr/>	<hr/>
	2020 £	2019 £
<b>Other revenue</b>		
Interest income	1,890	13,276
Grants received	239,456	-
	<hr/>	<hr/>

Grants received of £239,456 during the 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 2020

### 3 Turnover and other revenue (Continued)

	2020 £	2019 £
Turnover analysed by geographical market		
United Kingdom	8,641,167	9,448,005
Overseas sales	2,741,883	5,023,143
	<u>11,383,050</u>	<u>14,471,148</u>

### 4 Employees

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

	2020 Number	2019 Number
Production staff	25	68
Sales	57	26
Administration	44	45
	<u>126</u>	<u>139</u>

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	4,681,254	5,154,722
Social security costs	395,333	450,589
Pension costs	117,083	142,827
	<u>5,193,670</u>	<u>5,748,138</u>

### 5 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	387,216	399,040
Company pension contributions to defined contribution schemes	18,095	18,462
Compensation for loss of office	23,581	-
	<u>428,892</u>	<u>417,502</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2019 - 4).

# DESIGNPLAN LIGHTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 5 Directors' remuneration (Continued)

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

	2020 £	2019 £
Remuneration for qualifying services	124,673	110,906
Company pension contributions to defined contribution schemes	5,882	5,215

#### 6 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(31,984)	26,852
Government grants	(239,456)	-
Depreciation of owned tangible fixed assets	454,504	418,371
Loss on disposal of tangible fixed assets	14,639	25
Amortisation of intangible assets	47,352	33,210
Operating lease charges	952,012	904,024

#### 7 Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	18,500	17,900
<b>For other services</b>		
Taxation compliance services	2,600	2,940
Other taxation services	5,500	5,710
All other non-audit services	2,850	2,800
	10,950	11,450

#### 8 Interest receivable and similar income

	2020 £	2019 £
<b>Interest income</b>		
Interest on bank deposits	1,890	12,909
Other interest income	-	367
<b>Total income</b>	1,890	13,276

# DESIGNPLAN LIGHTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 9 Interest payable and similar expenses

	2020	2019
	£	£
Other interest	119	581

### 10 Taxation

	2020	2019
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	25,942	62,631
Adjustments in respect of prior periods	(59,808)	(19,193)
Total UK current tax	(33,866)	43,438
Adjustments in foreign tax in respect of prior periods	42,861	1,715
Total current tax	8,995	45,153
<b>Deferred tax</b>		
Origination and reversal of timing differences	(17,874)	63,743
Changes in tax rates	18,749	-
Adjustment in respect of prior periods	9,129	18,026
Total deferred tax	10,004	81,769
Total tax charge	18,999	126,922

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:

	2020	2019
	£	£
Profit before taxation	13,999	666,687
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	2,660	126,671
Tax effect of expenses that are not deductible in determining taxable profit	1,994	5,862
Adjustments in respect of prior years	(50,679)	(1,167)
Research and development tax credit	-	(5,414)
Tax chargeable at different rates	-	(7,499)
Foreign tax adjustments	42,861	1,715
Remeasurement of deferred tax for changes in tax rates	18,750	-
Other timing differences	3,413	6,754
Taxation charge for the year	18,999	126,922

# DESIGNPLAN LIGHTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 10 Taxation (Continued)

The company has brought forward capital losses of £167,373 (2019: £167,373) which are available to offset capital gains in the future.

The UK main corporation tax rate was expected to reduce to 17% from 1 April 2020, as announced in the finance Bill 2016, which was substantively enacted on 12 September 2016.

In the Budget of 11 March 2020, the Chancellor announced the reversal of the previously enacted reduction in the rate of corporation tax. This reversal was subsequently confirmed by a resolution under the Provisional Collection of Taxes Act 1968, which set the rate at 19%. Deferred tax has been recognised at the 31 December 2020 enacted rate of 19%.

### 11 Dividends

	2020 Per share £	2019 Per share £	2020 Total £	2019 Total £
<b>Ordinary</b>				
Interim paid	3.47	8.33	1,250,000	3,000,000
<b>Total dividends</b>				
Interim paid			1,250,000	3,000,000

### 12 Intangible fixed assets

	Product development £
<b>Cost</b>	
At 1 January 2020	361,383
Additions	105,041
Disposals	(3,168)
Transfers to tangible fixed assets	(17,478)
At 31 December 2020	445,778
<b>Amortisation and impairment</b>	
At 1 January 2020	93,579
Amortisation charged for the year	47,352
At 31 December 2020	140,931
<b>Carrying amount</b>	
At 31 December 2020	304,847
At 31 December 2019	267,804

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 2020

### 13 Tangible fixed assets

	Long leasehold land and buildings	Plant, machinery and tools	Computer, furniture and fittings	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2020	913,643	3,951,370	870,986	5,735,999
Additions	-	13,047	19,655	32,702
Disposals	-	(133,033)	(69,014)	(202,047)
Transfers from intangible fixed assets	-	17,478	-	17,478
At 31 December 2020	913,643	3,848,862	821,627	5,584,132
<b>Depreciation and impairment</b>				
At 1 January 2020	277,225	2,323,869	544,738	3,145,832
Depreciation charged in the year	54,179	311,470	88,855	454,504
Eliminated in respect of disposals	-	(133,033)	(54,375)	(187,408)
At 31 December 2020	331,404	2,502,306	579,218	3,412,928
<b>Carrying amount</b>				
At 31 December 2020	582,239	1,346,556	242,409	2,171,204
At 31 December 2019	636,418	1,627,501	326,248	2,590,167

### 14 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries	15	2	2

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 January 2020 & 31 December 2020	2
<b>Carrying amount</b>	
At 31 December 2020	2
At 31 December 2019	2



# DESIGNPLAN LIGHTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 15 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Designplan International Limited	16 Kimpton Park Dormant Way, Sutton, Surrey, SM3 9QS		Ordinary	100.00	

### 16 Stocks

	2020 £	2019 £
Raw materials and consumables	806,750	690,740
Work in progress	115,546	130,854
Finished goods and goods for resale	137,627	134,276
	<u>1,059,923</u>	<u>955,870</u>

During the year, an impairment loss on finished goods of £29,699 (2019: £91,459) was recognised in cost of sales.

### 17 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,414,763	1,391,533
Corporation tax recoverable	169,710	38,230
Amounts owed by group undertakings	197,239	154,735
Other debtors	1,950	2,000
Prepayments and accrued income	280,157	346,785
	<u>2,063,819</u>	<u>1,933,283</u>
<b>Amounts falling due after more than one year:</b>		
Other debtors	938	-
	<u>938</u>	<u>-</u>
<b>Total debtors</b>	<u>2,064,757</u>	<u>1,933,283</u>

During the year, £20,063 (2019: £6,000) was charged to the profit and loss in respect of trade receivables due from customers from whom payment was deemed doubtful.

# DESIGNPLAN LIGHTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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

	2020 £	2019 £
Trade creditors	824,525	309,589
Payments on account	112,066	108,351
Amounts due to group undertakings	4,087	7,424
Other taxation and social security	488,173	216,682
Other creditors	24,944	24,975
Accruals and deferred income	1,274,867	1,259,329
	<u>2,728,662</u>	<u>1,926,350</u>

#### 19 Provisions for liabilities

	Notes	2020 £	2019 £
Commercial agent indemnity provision		262,055	437,610
Warranty provision		363,007	322,914
		<u>625,062</u>	<u>760,524</u>
Deferred tax liabilities	20	160,246	150,242
		<u>785,308</u>	<u>910,766</u>

Movements on provisions apart from deferred tax liabilities:

	Commercial agent indemnity provision £	Warranty provision £	Total £
At 1 January 2020	437,610	322,914	760,524
Additional provisions in the year	24,771	119,667	144,438
Utilisation of provision	(200,326)	(79,574)	(279,900)
At 31 December 2020	<u>262,055</u>	<u>363,007</u>	<u>625,062</u>

A provision is made of £262,055 (2019: £437,610) 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 £363,007 (2019: £322,914) liabilities arising in respect of costs for product warranties.

# DESIGNPLAN LIGHTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 20 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 2020 £	Liabilities 2019 £
<b>Balances:</b>		
Accelerated capital allowances	179,185	161,000
Other timing differences	(18,939)	(10,758)
	<u>160,246</u>	<u>150,242</u>
<b>Movements in the year:</b>		<b>2020 £</b>
Liability at 1 January 2020		150,242
Charge to profit or loss		10,004
Liability at 31 December 2020		<u>160,246</u>

### 21 Retirement benefit schemes

	2020 £	2019 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	117,083	142,827

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 £24,522 (2019: £24,470) due to the pension scheme.

### 22 Share capital

	2020 £	2019 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
360,300 Ordinary of £1 each	360,300	360,300
	<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.

# DESIGNPLAN LIGHTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 23 Reserves

#### Capital redemption reserve

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

#### Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

### 24 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:

	2020 £	2019 £
Within one year	961,209	808,551
Between one and five years	3,620,246	2,960,343
In over five years	7,725,000	6,964,759
	<u>12,306,455</u>	<u>10,733,653</u>

### 25 Ultimate controlling party

The company's immediate parent company is Fagerhults Belysning AB and the ultimate holding company is AB Fagerhult, both incorporated in Sweden. AB Fagerhult is considered to be the company's controlling party.

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.