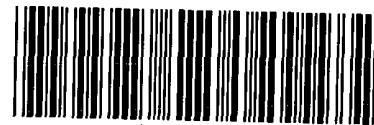


REGISTERED NUMBER: 02187037 (England and Wales)

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2021
for
HL Display (UK) Limited

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for the Year Ended 31 December 2021

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Company Information
for the Year Ended 31 December 2021

DIRECTORS:

D Hill
H Williams
B Borgman
C Blackadder

SECRETARY:

D Hill

REGISTERED OFFICE:

1-2 Horsecroft Road
The Pinnacles
Harlow
Essex
CM19 5BH

REGISTERED NUMBER:

02187037 (England and Wales)

AUDITORS:

Ernst & Young LLP
400 Capability Green
Luton
LU1 3LU

Strategic Report *for the Year Ended 31 December 2021*

The principal activity of the company is the design and sale of point of sale display solutions.

REVIEW OF BUSINESS

Turnover has decreased by £5,532,000 (18.4%) compared to last year. Operating profits have decreased by £2,143,000 to a loss of £202,000 in comparison to last year. 2020 results were positively impacted by the sale of Covid-19 protection and safety equipment to the retail sector. These sales have not carried through to 2021 which is the major driver behind the reduction in sales and profit.

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in this strategic report. The directors' latest forecasts show good profitability in the future through development of sales to both the current client base and new customers as well as through sales of new, innovative merchandising systems. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The sales force continues to offer newly developed group products which increase customer benefits and produce increased contribution.

Cash management continues to be a top priority to enable the reduction of loans from fellow group companies and to facilitate the payment of dividends to the holding company thereby enabling the holding company to also repay loans to its holding company.

The outlook for 2022 is uncertain due to the effect of material cost and energy price increases caused both by supply and demand issues as we exit the Covid-19 pandemic and the ongoing situation in Ukraine. HL Display's ability to recover the cost increases through increased selling prices will be crucial to the outcome of 2022. This ability will equally be impacted by uncertainty in the retail sector caused by cost of living increases reducing consumer spending. The acquisition of Concept Data Display in March 2021 by HL Display (UK)'s parent company will help to consolidate our position in the UK market and with the measures taken over recent years and the strong Group product development programme, HL Display (UK) is in a good position to continue to produce positive results.

KEY PERFORMANCE INDICATORS ("KPI'S")

Management continue to strive for efficiencies within all departments and monitors performance on a regular basis using various available tools:-

- i) Daily turnover by customer
- ii) Daily orders booked into the system
- iii) Weekly Sales performance; actual versus target by customer
- iv) Monthly Management information pack:- Income Statement (Actual, Budget, previous year), sales trends, top 20 customer analysis, opex analysis, working capital and funds flow movement.
- v) Regular KPI's are used to monitor major accounts i.e delivery performance, non conformances

Other KPI's are employee statistics, salesman's performance, new product sales and working capital measures.

Strategic Report
for the Year Ended 31 December 2021

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks and uncertainties within the business can be categorized under the following headings :-

Trading Environment

The company operates in a trading environment impacted by :-

- 1) Competitor activity
- 2) Competitive tendering by customers
- 3) Cost of raw material products, services and utilities
- 4) The effect of currency fluctuations on costs
- 5) Customer default

The risks of competitor activity and competitive tendering are mitigated by leveraging the industry leading position of the HL Display group. Our vision is to be the preferred supplier in our industry and to lead the development in creating innovative and sustainable solutions for a better shopping experience around the world by following these principles :-

- Creating a better shopping experience - We help our customers around the world to create attractive and profitable in-store environments that strengthen the consumer's shopping experience. Our mission is to make retail an experience, not just a transaction. Our vision is to be the preferred partner for innovative and sustainable solutions delivering a better shopping experience

- Passion for retail - our solutions are installed in 295,000 stores around the world and we are proud to be trusted suppliers to the biggest brands.

- Scandinavian with a global mindset - we design products and services with superior functionality and always act in accordance with fair social and labour values.

- Strong family roots - our committed family of co-workers embody the entrepreneurial spirit that founded our company.

- Industrial leadership - with presence in more than 70 countries we provide retailers and brands with merchandising and communication solutions that drive sales, save labour costs, create differentiation and reduce waste

Raw material costs are managed by having a network of approved suppliers, managing their performance and agreeing competitive prices.

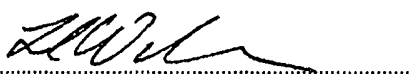
Prices for services and utilities are monitored closely and all costs are tightly controlled to maintain our competitive position.

The risk of customer default is managed by using an approved credit rating agency to set credit limits and then closely monitoring the payment performance of customers and taking enforcement action as appropriate to ensure debt recovery.

Financial Risks

The main cash flow risks of HL Display UK are managed by close monitoring of all components of working capital, negotiating terms with suppliers and customers, ensuring adherence to those terms and by minimizing inventory levels

ON BEHALF OF THE BOARD:



H Williams - Director

Date: 10-6-22

Report of the Directors *for the Year Ended 31 December 2021*

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

DIVIDENDS

The loss for the period amounted to £285,000 (2020: (profit) £1,548,000)

Dividends of £1,480,000 were paid in the year (2020:£300,000).The directors propose a dividend for the year ended 2021 of Nil (2020: £480,000)

DIRECTORS

The directors during the year, and subsequently, were:

D Hill
H Williams
B Borgman
C Blackadder - appointed 1 January 2021

The directors holding office at 31 December 2021 did not hold any beneficial interest in the issued share capital of the company at 1 January 2021 (or date of appointment if later) or 31 December 2021.

GOING CONCERN

During the year the Company made a pre tax loss of £283,000, on a significantly reduced turnover compared to 2020, for reasons as indicated in the Strategic Report. However, with an improved trading environment during 2022 and emergence of the economy and retail sector from the Covid-19 pandemic the directors have prepared forecasts for the period of 12 months from approval of the financial statements (the going concern assessment period) that indicate strong business and profit recovery as well as cash generation over the period. In these forecasts the directors have considered the potential downsides from the 'cost of living' increases and their impact on consumer spending and correspondingly the Company's customer base. In downside scenarios the Company is still forecasted to generate profit and cash in the going concern assessment period.

The Company is currently trading profitably, with positive cash flow and a strong overall balance sheet. Given the Company operates within a group cash pool arrangement the directors have obtained a letter of support from the parent Company, HL Display AB, indicating that they will provide the financial and other support necessary for the Company to trade and meet its liabilities as and when they become due for a period of 12 months from the date of signing of these financial statements.

After making due enquiries and considering the current economic environment and the support available from the parent company described above, the directors have a reasonable expectation that the Company has adequate resources to continue in operation for the going concern assessment period of 12 months from the date of signing of these financial statements. These considerations included the economic impact of material and overhead cost increases on the company and the current and forecast trading performance of the Company and of the group from which support is provided. Accordingly, the financial statements have been prepared on a going concern basis.

EMPLOYEE INVOLVEMENT

It is the policy of the Company to actively communicate with its employees to inform them of the financial performance of the Company and to make them aware of other matters affecting the business and hence the employees. This is achieved through quarterly employee briefings and a monthly company newsletter.

EQUAL OPPORTUNITIES

The Company is committed to the principle of equal opportunity in employment and to ensuring that no applicant or employee receives less favourable treatment on the grounds of gender, race, age, colour, nationality, religion, HIV status, disability, sexuality, or unrelated criminal convictions or other unjustified requirements or conditions.

The Company applies employment policies that are fair and equitable and which ensure entry into, and progression within the Company, is determined solely by application of job criteria and personal ability and competency.

Report of the Directors
for the Year Ended 31 December 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.


STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditor, Ernst & Young LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
H Williams - Director

Date: 10-6-22

Report of the Independent Auditors to the Members of HL Display (UK) Limited

Opinion

We have audited the financial statements of HL Display (UK) Limited (the 'company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related notes 1 to 21, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including 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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 12 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 this 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 the 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of HL Display (UK) Limited

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 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
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

Report of the Independent Auditors to the Members of HL Display (UK) Limited

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are relating to FRS 102, the Companies Act 2006, and United Kingdom direct and indirect tax regulations. In addition, the company must comply with operational and employment laws and regulations including health and safety regulations, environmental regulations and GDPR.
- We understood how the company is complying with those frameworks by making inquiries of management and those charged with governance and gaining an understanding of the entity level controls of the company in respect of these areas and the controls in place to reduce opportunity for fraudulent transactions.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management and those charged with governance to understand where it considered there was susceptibility to fraud. We considered the procedures and controls that the company has established to address risks identified or that otherwise prevent, deter and detect fraud and gained an understanding as to how those procedures and controls are implemented and monitored. We determined there to be a risk of management override in relation to the posting of non-standard manual journals in respect of revenue. To address the risk of management override, we have used data analytics and obtained details of journals for the year and identified specific transactions for further investigation based on certain criteria which were then traced to supporting documentation.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures included obtaining and reading board and management meeting minutes and relevant approval documents, enquiries of senior finance personnel and those charged with governance and agreement of samples of transactions throughout the audit to supporting source documentation. We also challenged judgments made by management. This included corroborating the inputs to judgments made by management and considering contradictory evidence.

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

Report of the Independent Auditors to the Members of HL Display (UK) Limited

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Handwritten signature of Fraser Bull in black ink, appearing to read 'Fraser Bull'.

Fraser Bull (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
400 Capability Green
Luton
LU1 3LU

Date: 10 June 2022

Ernst & Young (statutory auditor)

Statement of Comprehensive Income
for the Year Ended 31 December 2021


	Notes	2021 £'000	2020 £'000
REVENUE	4	24,554	30,086
Cost of sales		(19,485)	(22,012)
GROSS PROFIT		5,069	8,074
Distribution costs		(1,207)	(2,017)
Administrative expenses		(4,071)	(4,320)
		(209)	1,737
Other operating income	5	7	204
OPERATING (LOSS)/PROFIT	8	(202)	1,941
Interest receivable and similar income		2	-
		(200)	1,941
Interest payable and similar expenses	9	(83)	(97)
(LOSS)/PROFIT BEFORE TAXATION		(283)	1,844
Tax on (loss)/profit	10	(2)	(296)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(285)	1,548
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		(285)	1,548

The notes form part of these financial statements

Statement of Financial Position
31 December 2021

	Notes	2021 £'000	2020 £'000
FIXED ASSETS			
Property, plant and equipment	12	146	138
CURRENT ASSETS			
Inventories	13	1,492	1,353
Debtors	14	5,371	7,125
Cash at bank		87	1,605
		<u>6,950</u>	<u>10,083</u>
CREDITORS			
Amounts falling due within one year	15	<u>5,466</u>	<u>6,808</u>
NET CURRENT ASSETS		<u>1,484</u>	<u>3,275</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,630</u>	<u>3,413</u>
CREDITORS			
Amounts falling due after more than one year	16	<u>15</u>	<u>33</u>
NET ASSETS		<u><u>1,615</u></u>	<u><u>3,380</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	10	10
Capital redemption reserve	20	100	100
Retained earnings	20	<u>1,505</u>	<u>3,270</u>
SHAREHOLDERS' FUNDS		<u><u>1,615</u></u>	<u><u>3,380</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on10-6-22.....
and were signed on its behalf by:


.....
H Williams - Director

The notes form part of these financial statements

Statement of Changes in Equity
for the Year Ended 31 December 2021

	Called up share capital £'000	Retained earnings £'000	Capital redemption reserve £'000	Total equity £'000
Balance at 1 January 2020	10	2,022	100	2,132
Changes in equity				
Dividends	-	(300)	-	(300)
Total comprehensive income	-	1,548	-	1,548
Balance at 31 December 2020	10	3,270	100	3,380
Changes in equity				
Dividends	-	(1,480)	-	(1,480)
Total comprehensive loss	-	(285)	-	(285)
Balance at 31 December 2021	10	1,505	100	1,615

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2021

1. STATUTORY INFORMATION

HL Display (UK) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£) with figures presented in £'000 unless otherwise stated.

2. STATEMENT OF COMPLIANCE

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

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Going concern

As at the balance sheet date, the COVID-19 pandemic is still prevalent across the world. The directors have considered the impact of COVID-19 as well as the availability of funds, including support from the parent company, described more fully in the Directors' report on page 4. After considering these impacts, as well as the economic impact of material and overhead cost increases on the company, the directors have a reasonable expectation that the Company and the group from which support is provided, have adequate resources to continue in operation for 12 months from the date of signing of these financial statements. Accordingly, the financial statements have been prepared on the going concern basis.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of paragraph 33.7.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- Consideration of the requirement for any excess stock or obsolescence provision in relation to finished goods;
- Consideration of the requirement for any provision against trade receivables.

Revenue

Revenue represents net invoiced sales of goods, excluding value added tax. Revenue is recognised when the risks and rewards of ownership pass to the customer based on contractual terms.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

3. ACCOUNTING POLICIES - continued

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Plant and Machinery	5 - 25%	Straight Line
Motor Vehicles	20%	Straight Line
Computer	33 1/3 %	Straight Line

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress and finished goods, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

Post-retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

3. ACCOUNTING POLICIES - continued

Related party transactions

The Company has utilised the exemption under FRS 102.1 as a subsidiary undertaking not to disclose transactions with other entities that are wholly owned parts of, or investors of Ratos AB group. There were no other related party transactions.

4. REVENUE

The revenue and loss (2020 - profit) before taxation are attributable to the one principal activity of the company.

An analysis of revenue by geographical market is given below:

	2021	2020
	£'000	£'000
United Kingdom	23,131	29,087
Europe	1,372	947
Rest of World	51	52
	<u>24,554</u>	<u>30,086</u>

5. OTHER OPERATING INCOME

	2021	2020
	£'000	£'000
Coronavirus Job Retention Scheme Government grants	-	204
Government grants	1	-
Profit on sale of tangible fixed assets	6	-
	<u>7</u>	<u>204</u>

6. EMPLOYEES AND DIRECTORS

	2021	2020
	£'000	£'000
Wages and salaries	2,366	3,060
Social security costs	242	323
Other pension costs	82	116
	<u>2,690</u>	<u>3,499</u>

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

	2021	2020
Staff and Management	<u>51</u>	<u>61</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

7. DIRECTORS' EMOLUMENTS

	2021	2020
	£'000	£'000
Directors' remuneration	80	401

Information regarding the highest paid directors is as follows:

	2021	2020
	£'000	£'000
Emoluments etc	49	271

UK based directors have retirement benefits accruing in money purchase pension scheme. A total of £4,000 (2020 : £25,000) was received by the directors in pension contributions and the highest paid director received £1,000 (2020 : £15,000). As of 1 April all directors were remunerated by the parent company HL Display UK Holding Limited.

8. OPERATING (LOSS)/PROFIT

The operating loss (2020 - operating profit) is stated after charging/(crediting):

	2021	2020
	£'000	£'000
Hire of plant and machinery	29	5
Other operating leases	47	64
Depreciation - owned assets	14	8
Depreciation - assets on finance leases	27	31
Profit on disposal of fixed assets	(6)	-
Auditors' remuneration	12	12
Taxation compliance services	11	6
Foreign exchange differences	6	8
Cost of stock charged as an expense to the cost of sales	19,133	21,446

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£'000	£'000
Bank interest	2	1
Hire purchase	3	5
Invoice Factoring Finance	78	91
	83	97

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

10. TAXATION

Analysis of the tax charge

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

	2021 £'000	2020 £'000
Current tax:		
UK corporation tax	-	298
Deferred tax	2	(2)
Tax on (loss)/profit	<u>2</u>	<u>296</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £'000	2020 £'000
(Loss)/profit before tax	<u>(283)</u>	<u>1,844</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(54)	350
Effects of:		
Expenses not deductible for tax purposes	1	1
Income not taxable for tax purposes	(1)	-
Depreciation in excess of capital allowances	1	5
Adjustments to tax charge in respect of previous periods	-	(4)
Group relief provided / (claimed)	57	(29)
Deferred tax	2	(2)
Patent box relief	(8)	(29)
Depreciation allowable re leased assets	4	4
Total tax charge	<u>2</u>	<u>296</u>

The tax rates to be used are those which have been enacted or substantively enacted by the balance sheet date. For UK tax rates, 'substantively enacted' means that the Act or other measure legislating that rate has passed through all stages of reading by the House of Commons. The Finance (No 2) Bill 2021 enacted legislation to increase the current rate of corporation tax to 25% in the financial year 2023.

11. DIVIDENDS

	2021 £'000	2020 £'000
Allotted, called up and fully paid shares of 1 each		
Final	<u>1,480</u>	<u>300</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

12. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery £'000	Motor vehicles £'000	Computer equipment £'000	Totals £'000
COST				
At 1 January 2021	391	69	485	945
Additions	49	-	-	49
Disposals	(34)	-	-	(34)
At 31 December 2021	406	69	485	960
DEPRECIATION				
At 1 January 2021	270	52	485	807
Charge for year	36	5	-	41
Eliminated on disposal	(34)	-	-	(34)
At 31 December 2021	272	57	485	814
NET BOOK VALUE				
At 31 December 2021	134	12	-	146
At 31 December 2020	121	17	-	138

Fixed assets, included in the above, which are held under finance leases are as follows:

	Plant and machinery £'000	Motor vehicles £'000	Totals £'000
COST			
At 1 January 2021 and 31 December 2021	132	22	154
DEPRECIATION			
At 1 January 2021	87	5	92
Charge for year	22	5	27
At 31 December 2021	109	10	119
NET BOOK VALUE			
At 31 December 2021	23	12	35
At 31 December 2020	45	17	62

13. INVENTORIES

	2021 £'000	2020 £'000
Raw materials	5	6
Finished goods	1,487	1,347
	1,492	1,353

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£'000	£'000
Trade debtors	4,983	6,684
Other debtors	5	7
Corporation Tax	36	-
Deferred tax asset	29	31
Prepayments and accrued income	318	403
	<u>5,371</u>	<u>7,125</u>

Trade debtors as at 31 December 2021 include £3,221,000 (2020 : £4,000,000) of invoices discounted with recourse.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£'000	£'000
Finance leases (see note 17)	18	26
Trade creditors	540	582
Due to debt financing company	2,765	3,535
Amounts owed to group undertakings	1,019	154
Corporation Tax	-	74
Social security and other taxes	70	94
VAT	505	1,431
Other creditors	52	61
Accruals and deferred income	497	851
	<u>5,466</u>	<u>6,808</u>

The amount due to the invoice financing company is secured against the trade debtors balance.

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

	2021	2020
	£'000	£'000
Finance leases (see note 17)	<u>15</u>	<u>33</u>

17. LEASING AGREEMENTS

Minimum lease payments under finance leases fall due as follows:

	Finance leases	
	2021	2020
	£'000	£'000
Net obligations repayable:		
Within one year	18	26
Between one and five years	15	33
	<u>33</u>	<u>59</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

18. DEFERRED TAX

	£'000
Balance at 1 January 2021	(31)
Charge to Statement of Comprehensive Income during year	<u>2</u>
Balance at 31 December 2021	<u>(29)</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2021 £'000	2020 £'000
Number:	Class:			
10,000	Allotted, called up and fully paid	1	<u>10</u>	<u>10</u>

20. RESERVES

Called up share capital - represents the nominal value of shares that have been issued

Profit and loss account - includes current and prior period retained profits and losses

Capital redemption reserve - arose on buy back of shares in prior periods

21. ULTIMATE PARENT COMPANY

The largest group in which the results of the company are consolidated is that headed by Ratos AB, incorporated in Sweden. The consolidated financial statements of this group are available to the public and may be obtained from Ratos AB, Drottninggatan 2, Box 1661, SE-111 96 Stockholm, Sweden.

The smallest group in which the results of the company are consolidated is HL Display AB, incorporated in Sweden. Copies of the financial statements for HL Display AB can be obtained from HL Display AB, Box 1118, Cylindervägen 18, 131 26 Nacka Strand, Sweden.