

Design Rule Limited

Report and abridged accounts

Year Ended

31 December 2022

Company Number 02715857

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Design Rule Limited
Report and abridged accounts
for the year ended 31 December 2022

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Directors

Alan Sampson
Simon Turner
Paul Byerley
Jeremy Hines

Registered office

Building 500, Abbey Park, Stareton, Kenilworth, Warwickshire, CV8 2LY

Company number

02715857

Design Rule Limited

Directors' report for the year ended 31 December 2022

The directors present their report and the abridged accounts for the year ended 31 December 2022. During the previous period the accounting reference date for the Company was changed to 31 December. Accordingly, the prior period comparatives cover the 13 month period from 1 December 2020 to 31 December 2021.

Principal activities

The principal activity of the Company is the delivery of sophisticated design, engineering, and enterprise-wide solutions. Revenue for the year was £2,164,504 (31 December 2021 : £5,489,889) and gross profit was £1,564,630 (31 December 2021: £1,757,983). Profit before tax for the year was £865,159 (31 December 2021: £581,580).

During the year, the operations of the Company, were transitioned across to Desktop Engineering Limited, another company within the Solid Solutions Group Limited group of companies, resulting in the significant decrease in revenue and gross profit.

On 24 June 2022 Solid Solutions Group Limited, the largest group in which these financial statements were consolidated, was acquired by TriMech UK Holdings Limited, which is ultimately owned by TriMech Parent, LLC ("TriMech").

Directors

The directors who held office during the year were as follows:

Alan Sampson
Simon Turner
Paul Byerley
Jeremy Hines
Katharine Sampson (resigned 24 June 2022)

Dividends

A dividend of £122.22 per Ordinary Share was declared and paid during the year to the parent company, Solid Solutions Management Limited.

Exemption from audit by parent guarantee

For the year ending 31 December 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



Paul Byerley
Director

Date 22/9/2023

Design Rule Limited

Statement of directors' responsibilities

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the abridged accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare abridged accounts for each financial period. Under that law the directors have elected to prepare the abridged accounts 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 abridged accounts 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 abridged accounts, 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the abridged accounts;
- prepare the abridged accounts 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 abridged accounts 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.

Design Rule Limited

Income statement for the year ended 31 December 2022

	Year ended 31 December 2022 £	Period ended 31 December 2021 £
Turnover	2,164,504	5,489,889
Cost of sales	(599,874)	(3,731,906)
Gross profit	1,564,630	1,757,983
Administrative expenses	(699,471)	(1,176,403)
Operating profit, being Profit before taxation	865,159	581,580
Taxation	7,100	(123,856)
Profit for the year	872,259	457,724

The notes on pages 6 to 11 form part of these abridged accounts.

Design Rule Limited

Balance sheet at 31 December 2022

Company number 02715857

	Note	31 December 2022 £	31 December 2022 £	31 December 2021 £	31 December 2021 £
Fixed assets					
Tangible assets	4		649		2,113
Total fixed assets			649		2,113
Current assets					
Debtors	5	891,364		2,082,480	
Cash at bank and in hand		185,517		735,328	
		1,076,881		2,817,808	
Creditors: amounts falling due within one year	6	(244,811)		(1,751,329)	
Net current assets			832,070		1,066,479
Total assets less current liabilities			823,719		1,068,592
Creditors: amounts falling due after more than one year	7		(162)		(8,294)
Net Assets			832,557		1,060,298
Capital and reserves					
Called up share capital	8		9,000		9,000
Capital redemption reserve	8		1,000		1,000
Profit and loss reserves			822,557		1,050,298
Shareholders' funds			832,557		1,060,298

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A — Small entities.


For the year ended 31 December 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

All the members have consented to the preparation of abridged accounts for the year ending 31 December 2022 in accordance with section 444(2A) of the Companies Act 2006.

Directors' responsibilities:

- the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements were approved by the board of directors on 22/9/2023 and are signed on its behalf by:


Paul Byerley
Director

The notes on pages 6 to 11 form part of these abridged accounts.

Design Rule Limited

Statement of changes in equity for the period ended 31 December 2022

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
Balance at 30 November 2020	9,000	1,000	592,574	602,574
Period ended 31 December 2021				
Profit and total comprehensive income for the period	-	-	457,724	457,724
Balance at 31 December 2021	9,000	1,000	1,050,298	1,060,298
Year ended 31 December 2022				
Profit and total comprehensive income for the year	-	-	872,259	872,259
Dividend paid	-	-	(1,100,000)	(1,100,000)
Balance at 31 December 2022	9,000	1,000	822,557	832,557

The notes on pages 6 to 11 form part of these abridged accounts.

Design Rule Limited

Notes forming part of the abridged accounts for the period ended 31 December 2022

1 Accounting policies

Company information

Design Rule Limited is a private company limited by shares incorporated in England and Wales on 19 May 1992. The registered office is Building 500 Abbey Park, Stareton, Kenilworth, Warwickshire, CV8 2LY.

1.1 Accounting convention

These abridged accounts 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The abridged accounts are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these abridged accounts are rounded to the nearest £.

1.2 Going concern

The directors have assessed the financial position of the Company, including its trading forecasts, cash position and funding requirements and have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. The Company therefore adopts the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax, except in respect of training contracts where turnover is recognised when the Company obtains the right to consideration through the performance of the contract. Revenue invoiced in advance of entitlement to the consideration is shown as deferred income.

1.4 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.5 Research and development

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets.

The estimated useful lives are as follows:

Computer equipment - 2 – 5 years

Design Rule Limited

Notes forming part of the abridged accounts for the period ended 31 December 2022 (*continued*)

1 Accounting policies (*continued*)

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.8 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised directly in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met are not provided for. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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.

1.9 Basic 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 liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors and bank loans are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Design Rule Limited

Notes forming part of the abridged accounts for the period ended 31 December 2022 (*continued*)

1 Accounting policies (*continued*)

1.10 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the years during which services are rendered by employees.

2 Staff numbers

The average monthly number of persons (including directors) employed by the Company during the year was 9 (2021 – 14).

3 Dividends

	31 December 2022 £	31 December 2021 £
Dividends declared	1,100,000	-
	<u>1,100,000</u>	<u>-</u>

A dividend of £122.22 per Ordinary Share was declared and paid during the year to the parent company, Solid Solutions Management Limited.

4 Tangible fixed assets

	Computer equipment £
<i>Cost</i>	
At 1 January 2022	224,385
Additions	-
	<u>224,385</u>
At 31 December 2022	224,385
<i>Depreciation</i>	
At 1 January 2022	222,272
Charge for the year	1,464
	<u>223,736</u>
At 31 December 2022	223,736
<i>Net book value</i>	
At 31 December 2022	649
	<u>2,113</u>
At 31 December 2021	2,113

Design Rule Limited

Notes forming part of the abridged accounts
for the period ended 31 December 2022 (continued)

5 Debtors

	31 December 2022 £	31 December 2021 £
Trade debtors	565,421	2,070,678
Prepayments	6,426	6,006
Directors' loan account (note 10)	-	-
Amounts owed to group undertakings	319,517	5,796
	<u>891,364</u>	<u>2,082,480</u>

6 Creditors: amounts falling due within one year

	31 December 2022 £	31 December 2021 £
Trade creditors	16,563	350,144
Taxation and social security	78,242	469,610
Accruals and deferred income	24,236	799,307
Other creditors	882	8,412
Corporation tax liability	124,888	123,856
	<u>244,811</u>	<u>1,751,329</u>

7 Creditors: amounts falling due after more than one year

	31 December 2022 £	31 December 2021 £
Bank loan	-	-
Deferred tax	162	8,294
	<u>162</u>	<u>8,294</u>

Design Rule Limited

Notes forming part of the abridged accounts
for the period ended 31 December 2022 (continued)

8 Share capital

£

Share capital

Issued and fully paid

At 1 January 2022 (9,000 ordinary shares at £1 each)

9,000

At 31 December 2022

9,000

Capital redemption reserve

At 1 January 2022

1,000

At 31 December 2022

1,000

9 Directors' loan account

The following advances and credits to a director subsisted during the periods ended 31 December 2022 and 31 December 2021.

	31 December 2022 £	31 December 2021 £
Balance outstanding at the start of the period	-	84,486
Amounts advanced	-	-
Amounts repaid	-	(84,486)
Balance outstanding at the end of the period	-	-

10 Contingent liabilities and guarantees

On 24 June 2022 the Company entered into a group guarantee with fixed and floating charges over the assets of the Company as part of a credit agreement entered into by TriMech Midco II, LLC, another TriMech group company.

10 Ultimate parent company and controlling party

The Company is a wholly owned subsidiary of Solid Solutions Management Limited. Solid Solutions Management Limited is the smallest group in which these financial statements are consolidated. Until 24 June 2022, Solid Solutions Group Limited was the largest group in which these financial statements were consolidated. Both companies are registered in England and Wales and the Registered Office of both companies is Building 500 Abbey Park, Stareton, Kenilworth, Warwickshire, CV8 2LY. There was no one ultimate controlling party.

On 24 June 2022 Solid Solutions Group Limited was acquired by TriMech UK Holdings Limited. TriMech UK Holdings Limited is registered in England and Wales, with the Registered Office being at Building 500 Abbey Park, Stareton, Kenilworth, Warwickshire, CV8 2LY, and is now the largest group in which these financial statements are consolidated in the UK. TriMech UK Holdings Limited is ultimately owned by TriMech Parent, LLC., registered in the United States of America, for which there is no one ultimate controlling party.