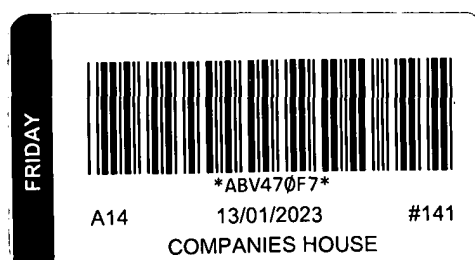


Cooper Lighting Solutions UK Limited

Registered Number: 12363476

Report and Financial Statements

31 December 2021



Contents

	Pages
Corporate information	2
Strategic report	3-5
Directors' report	6-7
Directors' Responsibilities Statement	8
Independent auditor's report	9-11
Income statement	12
Statement of comprehensive income	13
Statement of changes in equity	14
Statement of financial position	15
Notes to the financial statements	16-29

Corporate information

Directors

S Sparrow

R Davies (resigned 26th of April 2022)

S Rouatt (appointed 26th of April 2022; resigned 30th of November 2022)

M Denny (appointed 30th of November 2022)

Auditors

Ernst & Young LLP

G1 Building

5 George Square

Glasgow G2 1DY

Bankers

HSBC

8 Canada Square

London E15 2HQ

Registered Number

12363476

Registered Office

Unit 3 Guildford Business Park

Guildford

Surrey

GU2 8XG

Strategic report

The Directors present their strategic report for the period ended 31 December 2021.

Introduction

The company was incorporated on 13th December 2019.

On 2nd of March 2020 the company acquired the lighting control division of Eaton Electrical Systems Limited for \$31.5m. The acquisition incorporated the operating assets and capital, trade, customer relationships, technology, trademarks and all other intellectual property.

From that date the core activity of the business was the design, manufacture, marketing and distribution of lighting control equipment and associated services. The company operates in many markets throughout the world mainly under the trade names of iLight, Greengate and Zero88.

The company had two distinct secondary activities: the manufacture of pressure sensors and switches under the brand name Polaron Components and the distribution of audio-visual equipment under the brand name Marata Vision. On 16 March 2021 the Company announced its intention to exit the Polaron Components and Marata Vision businesses and to close its manufacturing site in Watford, UK. In the period to August 2021 the Company managed these exits and performed a number of last time builds for its customers. The company exited the Watford site on 28 February 2022.

Business review

The company measures its performance on a number of key performance indicators, including turnover, margin and current ratio.

The company's key financial performance indicators during the year are set out below:

	2021
Turnover	£11M
Gross profit	£1.7M
As a % of turnover	15%
Operating loss	(£7.4M)
As a % of turnover	67%
Current ratio	0.9

Future developments

On 1 January 2022 the Company sold the tradenames, technology and all rights to sell the Company's iLight products and services together with the customer base associated with those products and services to a fellow group company, Signify Netherlands BV.

On the same date the Company entered into a contract manufacturing agreement to manufacture the iLight product range for Signify Netherlands BV and its subsidiary companies. From that date the Company began a phased run out of any existing orders for iLight products with new iLight orders from external customers being processed by other Signify Netherlands BV group companies. The Company's employees related to the sales and service activities of the iLight product range were transferred to other Signify Netherlands BV group companies on 1 January 2022.

Strategic report (continued)

Principal risks and uncertainties

The company continually assesses its exposure to both strategic and operational risks and operates in a manner to limit exposure to these risks to a commercially acceptable level. The key risks faced by the company are:

Exchange rate risk

The company buys and sells products and services in a number of the major global currencies which gives rise to potential short term exchange gains and losses and longer-term changes in market competitiveness. The company trades mainly in GBP, USD and EUR currencies which are broadly netted to minimize the exposure in exchange rates. The company did not have any derivatives or hedging instruments during the year.

Technology risk

The company's ability to remain competitive in its market is driven by the ability to continue to provide products that meet the market's technological requirements at market competitive prices.

Market risk

The company operates in a number of key markets in several geographical locations. The potential market available to the company is dependent on the economic and political environment in those regions.

Environmental impact

The company is committed to developing and implementing sustainable business practices. The company's products are specifically designed to allow customers to reduce energy consumption and operate in a more sustainable manner. In addition, the company continues to work to reduce its own carbon footprint and has implemented a range of measures to reduce energy use, eliminate waste and to increase use of recyclable materials.

Liquidity risk

The company aims to mitigate liquidity risk by effectively managing the cash generated by its operations and applying cash collection targets. Investments are carefully controlled, with authorisation limits operating at different levels up to group board level. The company's overall funding is managed by the parent company.

Credit risk

Company policies require that deferred terms are granted only to customers who demonstrate an appropriate payment history and satisfy creditworthiness procedures. Individual exposures are monitored with customers subject to credit limits to ensure that the Company's exposure to bad debts is not significant.

Price risk

The company manages price risk by closely monitoring its competitors and responding accordingly in a timely manner.

COVID19

Company continues to closely monitor the development of the COVID19 pandemic by analyzing the risks the pandemic poses for its market position, its financial results, its financial position and its cash flows. Our top priority remains the health and safety of our staff and clients.

Section 172 Statement

Stakeholders

The Board of Directors, in line with their duties under s172 of the Companies Act 2006, recognises that the long-term sustainable success of the company is dependent on the way it interacts with a large number of stakeholders.

Our values provide our people with a common understanding of what matters to us and how we work:

- Customer first
- Greater together
- Game changer
- Passion for results
- Always act with integrity

Our responsibilities extend to our customers, employees, suppliers, the community, and the environment around us.

We engage with our stakeholders in a variety of ways, including:

Customers

We provide our customers with high quality, energy efficient lighting controls and services. Customer satisfaction is one of our four company values, and at the core of our Road to Excellence, a companywide journey to streamline our business processes and allow for better cooperation.

Employees

We attract, inspire and develop exceptional people who share our passion to improve people's lives through meaningful innovation. They demonstrate this by living our values: customer first; greater together; game changer, passion for results while always acting with integrity. Our people reflect our customers and markets. We develop our people to become outstanding leaders, to drive operational excellence, and to provide world-class competencies in our priority areas.

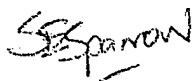
Communities

The company support employee volunteering schemes that give back to local charities and good causes.

Environment

We are driving our zero waste to landfill programme, striving for a zero-injury workplace and are engaging suppliers for a sustainable supply chain. We are taking a leading role to bring better light to the world and to help provide a more sustainable future.

By order of the board



S. Sparrow

Director

Date: 10.01.2023

Registered No. 12363476

Directors' report

The Directors present their report and financial statements for the period ended 31 December 2021.

Directors

S Sparrow
R Davies (resigned 26th of April 2022)
S Rouatt (appointed 26th of April 2022; resigned 30th of November 2022)
M Denny (appointed 30th of November 2022)

Dividends

The Directors do not recommend that a dividend is paid.

Going concern

The Directors have undertaken an exercise to review the appropriateness of the continued use of the Going Concern assumption. The assessment period considered by the Directors covers the period to 31 January 2024. The Directors have reviewed budgets and other financial information and assessed a number of factors as set out below and have concluded there is a reasonable expectation that the Company has adequate financial resources to continue to operate for the foreseeable future

The Directors have considered the rising cost of living, inflation, and war in Ukraine, including the risk of a prolonged downturn in the business environment and believe the entity has enough options to mitigate costs if the internal forecasts identify commercial concerns. To the best of directors' current knowledge, that COVID19, Ukraine war, inflation will not have a material adverse impact on the company's ability to continue as a going concern

The conclusion is based on the following factors:

- The Company is forecast to generate positive cashflows from 2022 onwards;
- The Company cash forecasts show no additional financing required to meet its liabilities;
- The Company has a strong market position as a B2B supplier and is not exposed to retail end markets that have been more volatile in 2021/22;
- The Company's parent undertaking has agreed to provide adequate funds for the company to meet its liabilities as they fall due until January 2024. The Directors have considered the ability of the parent undertaking to provide the financial support through its available free cash and access to funds;
- Considering the integration of iLight's business into Signify and to better leverage people and assets across the organisation, the nonroutine business was sold to Signify Netherlands on 1st January 2022. The Company will apply an arm's length remuneration going forward to fulfil contract manufacturing and other intercompany services demand across the Signify organisation.

Taking into account all the above factors, the directors consider that the Company has adequate resources to continue in operation for the period at least until 31 January 2024. For this reason, the directors have adopted the going concern basis in preparing the financial statements.

Post Balance Sheet Events

On 1 January 2022 the Company sold the tradenames, technology and all rights to sell the Company's iLight products and services together with the customer base associated with those products and services to a fellow group company, Signify Netherlands BV. On the same date the Company entered into a contract manufacturing agreement to manufacture the iLight product range for Signify Netherlands BV and its subsidiary companies. From that date the Company began a phased run out of any existing orders for iLight products and with new iLight orders from external customers being processed by other Signify Netherlands

Directors' report (continued)

BV group companies. The Company's employees related to the sales and service activities of the iLight product range were transferred to other Signify Netherlands BV group companies on 1 January 2022.

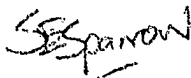
Auditors

In accordance with section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the Company.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the Board



S. Sparrow
Director

Date: 10.01.2023

Directors' Responsibilities Statement

The Directors are responsible for preparing the Strategic Report, 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), 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 those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 financial statements; and
- 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 COOPER LIGHTING SOLUTIONS UK LIMITED

Opinion

We have audited the financial statements of Cooper Lighting Solutions UK Limited for the year ended 31 December 2021 which comprise, the Income statement, the Statement of comprehensive income, the Statement of changes in equity, the Statement of financial position and the related notes¹ 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 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 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 until 31 January 2024

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, 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.

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.

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.

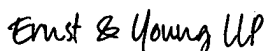
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those relating to the accounting and reporting framework such as FRS102 and the Companies Act 2006, direct and indirect tax compliance regulations, as well as relevant employment laws in the United Kingdom. In addition, the Company has to comply with laws and regulations governing anti-bribery, and corruption, data protection and health & safety.
- We understood how Cooper Lighting Solutions UK Limited is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicated its policies and procedures in these areas and corroborated this by reviewing minutes of the Board meetings held, verifying employee policies, employee handbooks and communication with the employees. We also reviewed correspondence with HMRC regarding tax compliance when applicable.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assessing revenue occurrence to be a fraud risk. We selected a sample of revenue items and performed audit procedures to address the identified fraud risks. We incorporated data analytics into our testing of revenue and manual journals, including segregation of duties. We tested specific transactions back to source documentation, ensuring appropriate authorisation of the transactions.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved a focus on compliance with the accounting and regulatory frameworks, in conjunction with compliance with relevant tax legislation. We have also held discussions with Senior Management on the compliance with laws and regulations.

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

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.

DocuSigned by:

Ernst & Young LLP

39AA1AD87A3346D
Nikki Forster (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Southampton

10 January 2023

Income statement

for the year ended 31 December 2021

		2021			2020		
		Continuing operations	Discontinuing operations	Total	Continuing operations	Discontinuing operations	Total
	Notes	£000			£000		
Turnover	2	9 746	1 138	10 884	9 718	1 772	11 490
Cost of sales		(8 203)	(987)	(9 190)	(6 597)	(1 252)	(7 849)
Gross Profit		1 543	151	1 694	3 121	520	3 641
Distribution costs		(3 652)	(61)	(3 713)	(3 584)	(104)	(3 688)
Administrative expenses		(1 587)	-	(1 587)	(1 346)	(151)	(1 497)
Exceptional items		(2 611)	(1 148)	(3 759)	-	-	-
Operating (Loss)/Profit	3	(6 307)	(1 058)	(7 365)	(1 809)	265	(1 544)
Interest payable and similar costs	8	(111)	-	(111)	(103)	-	(103)
(Loss)/Profit on ordinary activities before taxation		(6 418)	(1 058)	(7 476)	(1 912)	265	(1 647)
Tax on loss on ordinary activities	9	1 684	-	1 684	-	-	-
(Loss)/Profit for the financial year		(4 734)	(1 058)	(5 792)	(1 912)	265	(1 647)

The company results are derived from both discontinued and continued activities.

Statement of comprehensive income

for the period ended 31 December 2021

	<i>2021</i>	<i>Discontinuing</i>	<i>Total</i>	<i>2020</i>	<i>Discontinuing</i>	<i>Total</i>
	<i>Continuing</i>	<i>operations</i>		<i>Continuing</i>	<i>operations</i>	
		<i>£000</i>			<i>£000</i>	
(Loss)/Profit for the period	(4,734)	(1,058)	(5,792)	(1 912)	265	(1 647)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive (loss)/profit for the period	(4,734)	(1,058)	(5,792)	(1 912)	265	(1 647)

Statement of changes in equity

for the period ended 31 December 2021

	<i>Called up share capital</i>	<i>Share premium</i>	<i>Profit and loss account</i>	<i>Total equity</i>
	£000	£000	£000	£000
At 1 January 2021	-	19,360	(1,647)	17,713
Loss for the year	-	-	(5,792)	(5,792)
At 31 December 2021	-	19,360	(7,439)	11,921

Statement of changes in equity

for the period ended 31 December 2020

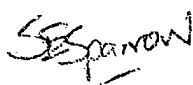
	<i>Called up share capital</i>	<i>Share premium</i>	<i>Profit and loss account</i>	<i>Total equity</i>
	£000	£000	£000	£000
Introduced	-	19,360	-	19,360
Loss for the year	-	-	(1,647)	(1,647)
At 31 December 2021	-	19,360	(1,647)	17,713

Statement of financial position

at 31 December 2021

		2021	2020
	Notes	£000	£000
Fixed assets			
Intangible assets	10	11,808	19,880
Tangible assets	11	680	728
		<u>12,488</u>	<u>20,608</u>
Current assets			
Stocks	12	1,901	1,622
Debtors: amounts falling due within one year	13	6,300	2,576
Cash at bank and in hand		-	-
Total current assets		<u>8,201</u>	<u>4,198</u>
Creditors: amounts falling due within one year	14	<u>(7,778)</u>	<u>(7,093)</u>
Provisions	15	<u>(990)</u>	-
Net current assets		<u>(567)</u>	<u>(2,895)</u>
Net assets		<u>11,921</u>	<u>17,713</u>
Capital and reserves			
Called up share capital	16	-	-
Called up share premium	17	19,360	19,360
Profit and loss account		<u>(7,439)</u>	<u>(1,647)</u>
		<u>11,921</u>	<u>17,713</u>

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



S. Sparrow
Director
Date: 10.01.2023

Notes to the financial statements

at 31 December 2021

1. Accounting policies

Statement of compliance

Cooper Lighting Solutions UK Limited is a limited liability company incorporated and domiciled in England and Wales. These financial statements were prepared in accordance with the United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 (FRS 102) and Companies Act 2006.

Basis of preparation

The financial statements are prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below, and are presented in Sterling.

The Financial Statements cover the period 1st of January 2021 to 31st December 2021.

Going concern

The Directors have undertaken an exercise to review the appropriateness of the continued use of the Going Concern assumption. The assessment period considered by the Directors covers the period to 31 January 2024. The Directors have reviewed budgets and other financial information and assessed a number of factors as set out below and have concluded there is a reasonable expectation that the Company has adequate financial resources to continue to operate for the foreseeable future.

The Directors have considered the rising cost of living, inflation, and war in Ukraine, including the risk of a prolonged downturn in the business environment and believe the entity has enough options to mitigate costs if the internal forecasts identify commercial concerns. To the best of directors' current knowledge, that COVID19, Ukraine war, inflation will not have a material adverse impact on the company's ability to continue as a going concern.

The conclusion is based on the following factors:

- The Company is forecast to generate positive cashflows from 2022 onwards;
- The Company cash forecasts show no additional financing required to meet its liabilities
- The Company has a strong market position as a B2B supplier and is not exposed to retail end markets that have been more volatile in 2021/22;
- The Company's parent undertaking has agreed to provide adequate funds for the company to meet its liabilities as they fall due until January 2024. The Directors have considered the ability of the parent undertaking to provide the financial support through its available free cash and access to funds;
- Considering the integration of iLight's business into Signify and to better leverage people and assets across the organisation, the nonroutine business was sold to Signify Netherlands on 1st January 2022. The Company will apply an arm's length remuneration going forward to fulfil contract manufacturing and other intercompany services demand across the Signify organisation.

Taking into account all the above factors, the directors consider that the Company has adequate resources to continue in operation for the period at least until 31 January 2024. For this reason, the directors have adopted the going concern basis in preparing the financial statements.

Exemptions for qualifying entities under FRS102

The company has taken advantage of the reduced disclosure exemptions under FRS102. The company has taken advantage of the exemptions on the basis it meets the definition of a qualifying entity and its ultimate parent undertaking includes the relevant disclosures in its own consolidated Financial Statements.

The company has taken advantage of the following disclosure exemptions:

- Preparing a statement of cash flows;
- Disclosure of related party transactions with and between wholly owned subsidiaries;
- Disclosure relating to financial instruments.

Notes to the financial statements continued

at 31 December 2021

Accounting policies (continued)

Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year.

Estimates and judgement are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The areas where the most significant judgements and estimates are made are as follows:

- Amortisation and Impairment of Intangibles;
- Depreciation (Estimated Useful life);
- Excess, shrinkage, and obsolescence reserve;
- Provision for doubtful debt.

Tangible fixed assets

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Leasehold land and buildings	–	over length of lease
Plant, machinery and vehicles	–	4–10 years straight-line (plant and machinery)
Fixtures, fittings, tools and equipment	–	13 years straight-line (computers)
		4–10 years straight-line (other assets)

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Intangible fixed assets

Intangible fixed assets are amortized evenly over their expected useful live. It is calculated at the following rates:

Goodwill	20 years
Trademarks	10 years
Technology	7 years
Customer relationships	10 years

Provisions

In order to recognise a provision, it is necessary to estimate its present obligation. Further judgement is required to determine the likelihood of an outflow of economic benefits and to assess the timing and value of the probable outflow.

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

Notes to the financial statements continued

at 31 December 2021

Accounting policies (continued)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue in respect of services is recognised on completion of services.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Raw materials	–	cost of purchase on first in, first out basis
Work in progress and finished goods	–	cost of raw materials and labour together with attributable overheads

Net realisable value is based on estimated selling price less further costs to completion and disposal.

Long term contracts

Long term contracts are assessed on a contract by contract basis and are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Where the outcome of each contract can be assessed with reasonable certainty before its conclusion, the attributable profit is recognised in the profit and loss account as the difference between reported turnover and related costs for that contract.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

Operating leases

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balances of capital repayments outstanding. The capital element reduces the amounts payable to the lessor. All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Notes to the financial statements continued

at 31 December 2021

Accounting policies (continued)

Pensions

Contributions to the company's defined contribution pension schemes are charged to the profit and loss account in the year in which they become payable.

Research and development

Expenditure on pure and applied research is charged to the profit and loss account in the year in which it is incurred.

Development costs are also charged to the profit and loss account in the year of expenditure, unless individual projects satisfy all of the following criteria:

- the project is clearly defined and related expenditure is separately identifiable;
- the project is technically feasible and commercially viable;
- current and future costs are expected to be exceeded by future sales; and
- adequate resources exist for the project to be completed.

In such circumstances the costs are carried forward and amortised over a period not exceeding five years commencing in the year the Company starts to benefit from the expenditure.

Finance costs

Finance costs are charged to profit and loss over the term of the debt so that the amount charged is at a constant rate on the carrying amount.

2. Turnover

	2021	2020
	£000	£000
United Kingdom	3,693	4,887
Europe	2,464	1,899
Middle East	3,102	3,410
Rest of the World	1,625	1,294
	<u>10,884</u>	<u>11,490</u>

Notes to the financial statements continued

at 31 December 2021

3. Operating Loss

This is stated after charging/(crediting):

	2021	2020
	£000	£000
Research and development expenditure written off	878	882
Depreciation of owned assets	203	373
Operating lease rentals – land and buildings	319	247
– others	34	54
Exchange rate gain/(loss)	36	(19)
Amortisation of intangible assets	1,533	1,425
Auditor's remuneration (see note 4)	52	40

Exceptional items for discontinuing operation include costs directly related to the closure of manufacturing site in Watford, UK. Exceptional items for continuing operation include the impairment of the customer relationships intangible asset.

	2021	2020
	£000	£000
Changes in other provision	677	-
Changes in termination benefits	471	-
Impairment of customer relationships	<u>2,611</u>	=
	3,759	-

4. Auditor's remuneration

The Company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company.

	2021	2020
	£000	£000
Audit of the financial statements	<u>52</u>	<u>40</u>

Notes to the financial statements continued

at 31 December 2021

5. Staff costs

(a) Staff costs

Staff costs, including Directors' remuneration, were as follows

	2021 £000	2020 £000
Wages and salaries	4,423	3,824
Social security costs	442	341
Pension cost defined contribution	289	302
	<u>5,154</u>	<u>4,467</u>

(b) Staff numbers

The average monthly number of employees during the period was made up as follows:

	2021 No.	2020 No.
Manufacturing	52	66
Distribution	27	33
Administration	22	25
	<u>101</u>	<u>124</u>

6. Directors' remuneration

Remuneration in respect of Directors remunerated by Cooper Lighting Solutions UK Limited:

	2021 £000	2020 £000
Remuneration	383	318
Company contributions to money purchase pension schemes	30	25
	<u>413</u>	<u>343</u>

Notes to the financial statements continued

at 31 December 2021

7. Directors' remuneration

	2021 No.	2020 No.
Number of directors who received shares in respect of qualifying services	1	1
Number of directors who exercised share options	1	-
Number of directors who are members of money purchase pension schemes	2	2

Highest paid director

	2021 £000	2020 £000
Remuneration	234	193
Contributions to money purchase pension schemes	19	16
	<u>253</u>	<u>209</u>

The Directors remunerated by Cooper Lighting Solutions UK Limited perform qualifying services for this company only and not for other companies in the group.

8. Interest payable and similar costs

	2021 £000	2020 £000
On loans and balances due to fellow group undertakings	111	103
	<u>111</u>	<u>103</u>

Notes to the financial statements continued

at 31 December 2021

9. Taxation

(a) Tax on loss on ordinary activities

The tax credit is made up as follows:

	2021 £000	2020 £000
Current tax:		
UK corporation tax at 19% (2020: 19%)	-	-
Total current tax	-	-
Deferred tax:		
Origination of temporary differences	(1,684)	-
Adjustment in respect of prior year	-	-
Other	-	-
Total change in the deferred tax	(1,684)	-
Tax on loss on ordinary activities	(1,684)	-

Notes to the financial statements continued

at 31 December 2021

Taxation (continued)

(b) Factors affecting the total tax charge

The tax assessed on the profit on ordinary activities for the year is higher/lower than the standard rate of corporation tax in the UK of 19% (2020 – 19%). The differences are reconciled below:

	2021 £000	2020 £000
Loss on ordinary activities before tax	(7,477)	(1,647)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(1,421)	(313)
Expenses not deductible for tax purposes	19	2
Other permanent differences	4	-
Remeasurement of deferred tax for changes in tax rate	(247)	-
Prior year deferred tax recognized	(39)	196
Total tax (credit)/expense	(1,684)	-

(c) Factors that may affect future tax charges

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021, and the UK deferred tax asset as at 31 December 2021 has been calculated based on this rate.

Notes to the financial statements continued

at 31 December 2021

Taxation (continued)

(d) Deferred tax

The deferred tax asset is as follows:

	2021	2020
Accelerated capital allowances	-	(20)
Intangible asset timing differences	-	15
Fixed asset timing differences	842	-
Short term timing differences	188	-
Losses and other deductions	654	196
Deferred tax asset not recognised	-	(191)
Deferred tax asset 31 st December 2021	1 684	-

All current year losses are expected to be utilised in the year ended 31 December 2022. The deferred tax asset on losses has therefore been recognised at 19%.

All other deferred tax assets are expected to be utilised in more than one year and have been recognised at 25%.

Notes to the financial statements continued

at 31 December 2021

10. Intangible fixed assets

	<i>Customer relationships</i>	<i>Trademarks</i>	<i>Technology</i>	<i>Goodwill</i>	<i>Total</i>
	£000	£000	£000	£000	£000
Cost:					
At January 2021	8 636	1 266	1 606	9 797	21 305
Sale to fellow group company	(1 783)	(261)	(332)	(2 023)	(4 399)
Impairment	(3 197)	-	-	-	(3 197)
At December 2021	3 656	1 005	1 274	7 774	13 709
Amortisation:					
At January 2021	720	106	191	408	1 425
Charge for period	774	114	206	439	1 533
Sale to fellow group company	(238)	(35)	(63)	(135)	(471)
Impairment	(586)	-	-	-	(586)
At 31 December 2021	670	185	334	712	1 901
Net book value:					
At 31 December 2020	7 916	1 160	1 415	9 389	19 880
At 31 December 2021	2 986	820	940	7 062	11 808

11. Tangible fixed assets

	<i>Short leasehold land and buildings</i>	<i>Plant and machinery</i>	<i>Fixtures, fittings, tools and equipment</i>	<i>Total</i>
	£000	£000	£000	£000
Cost:				
At January 2021	218	721	162	1,101
Additions	7	81	67	155
Disposals	-	(214)	-	(214)
At 31 December 2021	225	588	230	1,043
Depreciation:				
At January 2021	(39)	(314)	(20)	(373)
Charge for period	(40)	(97)	(66)	(203)
Disposals	-	214	-	214
At 31 December 2021	(79)	(197)	(86)	(363)
Net book value:				
At 31 December 2020	179	407	142	728
At 31 December 2021	146	391	143	680

Notes to the financial statements continued

at 31 December 2021

12. Stocks

	2021 £000	2020 £000
Raw materials and consumables	980	266
Work in progress	327	448
Finished goods and goods for resale	594	908
	<u>1,901</u>	<u>1,622</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

13. Debtors

	2021 £000	2020 £000
Trade and other receivables	1,328	2,394
Prepayments and accrued income	105	182
Amounts owed by group undertakings	2,844	-
Taxation and social security	339	-
Deferred tax asset	1,684	-
	<u>6,300</u>	<u>2,576</u>

Trade debtors are stated after bad debt provision for £80,388 (2020: £60,683). Trading amounts owed by group undertakings include cash pooling of £2,411,590 (2020: £960,271 included in Creditors section). All debtors are due within one year, unsecured and interest free.

14. Creditors: amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	1,308	1,241
Amounts owed to group undertakings	5,638	4,624
Taxation and social security	-	4
Accruals and deferred income	832	1,224
	<u>7,778</u>	<u>7,093</u>

Trade creditors are non interest bearing and are usually settled on 60 day terms.

Trading amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. Loan included in Amounts owed to group undertaking £5,420,884 (2020: £5,420,884) is unsecured and bear interest at an annual rate equal to 12month LIBOR plus 1.885%.

Notes to the financial statements continued

at 31 December 2021

15. Provisions

	At 1 January 2021 £000	Additional provision £000	Consumption £000	At 31 December 2021 £000
Termination benefits	-	1 053	815	238
Other provisions	-	752	-	752
	<u>-</u>	<u>1 805</u>	<u>815</u>	<u>990</u>

Other provision is related to the responsibilities under the lease for dilapidations and reinstatements of the exit of the Watford businesses.

16. Issued share capital

	2021 £000	2020 £000
1 ordinary share of £1	<u>-</u>	<u>-</u>

17. Issued share premium

	2021 £000	2020 £000
1 ordinary share of £1 each	<u>19,360</u>	<u>19,360</u>

18. Related party disclosures

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. The Company has taken advantage of the exemption in Section 33.1A, whereby disclosures need not be given of transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Notes to the financial statements continued

at 31 December 2021

19. Operating lease commitments

Future minimum rentals payable under noncancellable operating leases are as follow:

	<i>Land and buildings</i>	<i>Other</i>	<i>Land and buildings</i>	<i>Other</i>
	2021	2021	2020	2020
	£000	£000	£000	£000
Not later than one year	128	11	295	31
After one year but not more than five years	380	1	663	12
After five years	55	-	150	-
	563	12	1,108	43

20. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Signify Holding BV, a company registered in the Netherlands

The Company's ultimate parent undertaking and controlling party is Signify N.V, a company which is incorporated in the Netherlands. Copies of these group Financial Statements are publicly available at www.signify.com.

21. Subsequent events

On 1 January 2022 the Company sold the tradenames, technology and all rights to sell the Company's iLight products and services together with the customer base associated with those products and services to a fellow group company, Signify Netherlands BV. On the same date the Company entered into a contract manufacturing agreement to manufacture the iLight product range for Signify Netherlands BV and its subsidiary companies. From that date the Company began a phased run out of any existing orders for iLight products and new iLight orders from external customers being processed by other Signify Netherlands BV group companies. The Company's employees related to the sales and service activities of the iLight product range were transferred to other Signify Netherlands BV group companies on 1 January 2022.

On 26th of April 2022, Stephen Rouatt was appointed as a Director of Cooper Lighting Solutions UK Limited. On 30th of November 2022, Stephen Rouatt resigned from the position of a Director of Cooper Lighting Solutions UK Limited and Maria Denny was appointed as a Director of Cooper Lighting Solutions UK Limited.