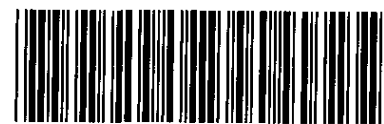


Portland Lighting Limited

Annual Report and Financial Statements  
for the Year Ended 30 June 2021

Registered Number: 2826511

WEE THURSDAY



	*AAY2CHN7*	
A11	17/02/2022	#339
	COMPANIES HOUSE	
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A22	02/02/2022	#7
	COMPANIES HOUSE	

# **Portland Lighting Limited**

## **Annual report and financial statements for the year ended 30 June 2021**

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# **Portland Lighting Limited**

## **Directors' Report for the year ended 30 June 2021**

The directors present their annual report and the financial statements of the Company for the year ended 30 June 2021.

### **Principal activities**

The Company's principal activity during the year was the manufacture, distribution and sale of specialist lighting equipment.

### **Review of business and future developments**

The level of business and the financial position at 30 June 2021 were satisfactory and the directors expect this to continue into the coming year.

As well as the ongoing pandemic, the most significant uncertainties for the business arise from fluctuations in the macro-economic cycle and the competitive market. In particular, the Company's revenue and profit could be affected by spending reductions, inflationary pressures and exchange rate risks for purchases of materials and trade debtors. Wherever possible the Company seeks to minimise these risks by diversification and risk management strategies. Competition within the market is strong with evolving technologies, products and pricing. The Company seeks to minimise these risks by offering innovative solutions and working closely with customers to satisfy their requirements. Prices are reviewed regularly, particularly where there is an element of the products made that relies on components priced in foreign currencies.

The key performance indicators for the business are revenue and operating profit. Revenue increased by 16% (2020: 17% decrease) and operating profit increased by 158% (2020: 65% decrease). The directors monitor non-financial areas of the business relating to energy saving and environmental responsibility, market and product development, customer service and support on a regular basis. Objectives are set including financial and non-financial targets and these are monitored by the board.

The Company has financial risks and seeks to minimise and manage these by incorporating controls into key functions as part of the normal business operation.

Management reviews prices at least annually to take into account fluctuations in costs in, order to minimise the risk of reduction in gross margin, or loss of market share from lack of competitiveness.

### **Financial risk management**

The Company, which is limited by shares, has operations exposing it to a variety of financial risks that include credit risk and liquidity risk. The Company has in place a risk management programme that seeks to limit adverse effects on its financial performance. The policies set by the directors are implemented by the Company's management team.

#### *Credit risk*

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed at least annually by the management of the Company. Management reviews the debt profile regularly to minimise the impact of bad debt exposure and the risk of slow payment by customers. The Company has underwritten a significant part of its customer debt with a credit insurance policy, which is managed in accordance with Group control procedures.

The Company's cash resources are managed centrally by the Parent Company in accordance with their treasury policy apart from a small amount of physical cash and foreign currency which is held securely and is subject to agreed internal control procedures. The Parent Company, FW Thorpe Plc, manages the risks associated with cash and deposits.

# **Portland Lighting Limited**

## **Directors' Report for the year ended 30 June 2021 (continued)**

### **Financial risk management (continued)**

#### *Liquidity risk*

The Company actively maintains its liquidity risk using operating cash flows, cash equivalents and a mixture of short and long-term inter-company debt that is designed to ensure the Company has sufficient available funds for its operations. The Company also has access to intergroup borrowings if necessary, to fund any one-off liquidity requirements.

### **Results and dividends**

The profit for the financial year amounted to £546,000 (2020: £229,000) and was transferred directly to reserves. The dividend paid during the year was £200,000 (2020: £650,000). The directors recommend the payment of a dividend of £350,000 (2020: £200,000) for the year.

### **Directors**

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

D J Harrison  
C Muncaster  
D Taylor

### **Development activities**

The Company is committed to development activities in order to maintain its market share in the industrial and commercial lighting market. These activities encompass constant development of both new and existing products to ensure that a leading position in the lighting market is maintained.

### **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements
- make judgements and accounting estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

# **Portland Lighting Limited**

## **Directors' Report for the year ended 30 June 2021 (continued)**

The directors 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.

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.

### **Directors' indemnities**

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Parent Company, FW Thorpe Plc also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

### **Independent Auditors**

The Company have chosen not to hold annual general meetings. For the year ending 30 June 2021, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.


### **Going concern**

The directors confirm that they are satisfied the Company has adequate resources to continue in business for the foreseeable future. For these reasons, the directors continue to adopt the going concern basis in preparing these financial statements.

### **Small company exemption**

The directors' report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. The Company has also taken advantage of the exemption available to it not to prepare a strategic report.

On behalf of the Board



C Muncaster  
**Director**

27 January 2022:

# Portland Lighting Limited

## Income Statement for the Year Ended 30 June 2021

		2021	2020
	Note	£'000	£'000
Revenue	2	2,834	2,446
Cost of sales		(1,623)	(1,577)
<b>Gross profit</b>		<b>1,211</b>	<b>869</b>
Distribution costs		(281)	(308)
Administrative expenses		(247)	(294)
Other operating income	3	20	6
<b>Operating profit</b>		<b>703</b>	<b>273</b>
Finance income	5	-	4
<b>Profit before income tax</b>		<b>703</b>	<b>277</b>
Income tax expense	6	(157)	(48)
<b>Profit for the financial year</b>		<b>546</b>	<b>229</b>

All income derives from continuing operations.

## Portland Lighting Limited

### Statement of Comprehensive Income for the year ended 30 June 2021

		2021	2020
	Note	£'000	£'000
<b>Profit for the financial year</b>		<b>546</b>	<b>229</b>
<b>Other comprehensive expense</b>			
<b>Items that will not be classified to profit or loss</b>			
Taxation	13	(2)	(1)
<b>Total comprehensive income for the year</b>		<b>544</b>	<b>228</b>

All comprehensive income is attributable to the owners of the Company and derives from continuing operations.

# Portland Lighting Limited

## Statement of Financial Position as at 30 June 2021

		2021	2020
	Note	£'000	£'000
<b>Fixed assets</b>			
Property, plant and equipment	7	253	248
Intangible assets	8	199	77
<b>Total fixed assets</b>		<b>452</b>	<b>325</b>
<b>Current assets</b>			
Inventories	9	255	130
Trade and other receivables	10	1,031	563
<b>Total current assets</b>		<b>1,286</b>	<b>693</b>
<b>Creditors – amounts falling due within one year</b>	11	<b>(602)</b>	<b>(281)</b>
<b>Net current assets</b>		<b>684</b>	<b>412</b>
<b>Total assets less current liabilities</b>		<b>1,136</b>	<b>737</b>
Provisions for liabilities	12	(72)	(17)
<b>Net assets</b>		<b>1,064</b>	<b>720</b>
<b>Equity</b>			
Called up share capital	14	-	-
Capital redemption reserve	15	-	-
Retained earnings		1,064	720
<b>Total equity</b>		<b>1,064</b>	<b>720</b>

For the year ending 30 June 2021, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. 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.

The financial statements on pages 4 to 22 were approved by the Board of Directors on the below date and were signed on its behalf by:

  
**G. Muncaster**  
**Director**  
 27 January 2022

Registered number 2826511



# Portland Lighting Limited

## Statement of Changes in Equity for the year ended 30 June 2021

	Share capital	Capital redemption reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000
<b>Balance at 1 July 2019</b>	-	-	1,142	1,142
Profit for the financial year	-	-	229	229
Other comprehensive income	-	-	(1)	(1)
<b>Total comprehensive income</b>	-	-	228	228
<b>Transactions with shareholders</b>				
Dividends paid to shareholders	-	-	(650)	(650)
<b>Balance at 30 June 2020</b>	-	-	<b>720</b>	<b>720</b>
<b>Balance at 1 July 2020</b>	-	-	720	720
Profit for the financial year	-	-	546	546
Other comprehensive income	-	-	(2)	(2)
<b>Total comprehensive income</b>	-	-	544	544
<b>Transactions with shareholders</b>				
Dividends paid to shareholders	-	-	(200)	(200)
<b>Balance at 30 June 2021</b>	-	-	<b>1,064</b>	<b>1,064</b>

# Portland Lighting Limited

## Notes to the Financial Statements for the year ended 30 June 2021

### 1 Accounting policies

The principal accounting policies, which have been applied, are set out below.

#### General information

Portland Lighting Limited (the Company) is a private company limited by shares incorporated and domiciled in England and Wales under the Companies Act 2006. The Company's registered address is Merse Road, North Moons Moat, Redditch, Worcestershire, B98 9HH.

#### Basis of preparation

The Company has prepared the financial statements using FRS101 'Reduced Disclosure Framework'. Therefore, the recognition and measurement requirements of International Accounting Standards in conformity with the requirements of the Companies Act 2006.

Where required, equivalent disclosures are given in the FW Thorpe PLC group financial statements.

The Company has adopted all International Accounting Standards in conformity with the requirements of the Companies Act 2006, with the exception of the disclosure exemptions listed below. The Company has not early adopted any other standards or interpretations not yet endorsed by the UK.

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using FRS101.

There are no other standards that are not yet effective that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

#### Disclosure exemptions adopted

The Company has taken advantage of the following disclosure exemptions permitted under FRS 101 in relation to the following:

The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of paragraph 73(e) of IAS 16 Property, Plant and Equipment, and paragraph 118(e) of IAS 38 Intangible Assets: -

- The requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements to present information on the Company's capital management
- The requirements of IAS 7 Statement of Cash Flows
- The requirements of IFRS 7 Financial instruments: Disclosures
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting policies, changes in accounting estimates and errors to present disclosure of new standards and interpretations that have been issued but not yet effective
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group

# Portland Lighting Limited

## Notes to the Financial Statements for the year ended 30 June 2021 (continued)

### 1 Accounting policies (continued)

#### Revenue recognition

The Company recognises revenue earned from contracts based on individual performance obligations using the five-step model. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration the Company is entitled to in exchange for those goods or services, excluding VAT, trade discounts and rebates.

The Company has generally concluded that it is the principal in its revenue arrangements. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. The normal credit terms are 30 to 90 days from delivery.

Revenue from external customers is derived from the supply of light fittings.

<u>Revenue Stream</u>	<u>Revenue Recognition</u>
Light Fittings	Revenue is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. warranties, service agreements). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

#### Intangible assets

##### *Development costs*

The Company undertakes development activities on an ongoing basis. Part of these costs relate to projects where the benefit is received in the short term (less than one year) and part relates to longer term projects where the benefit is expected to be received for several years to come. Costs associated with the shorter-term activities are expensed as and when they are incurred. Costs associated with the longer-term projects are capitalised as an intangible asset and amortised over the expected life of the benefit at 33.33% per annum commencing when the asset is available for use within the business. Development costs are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use
- Management intends to complete the intangible asset and use or sell it
- There is an ability to use or sell the intangible asset
- It can be demonstrated how the intangible asset will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available
- The expenditure attributable to the intangible asset during its development can be reliably measured. Other development expenditures that do not meet these criteria are recognised as an expense as incurred

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

# Portland Lighting Limited

## Notes to the Financial Statements for the year ended 30 June 2021 (continued)

### 1 Accounting policies (continued)

The economic success for development activities is uncertain and carrying amounts are reviewed at each statement of financial position date for impairment in accordance with IAS 36.

Development assets are valued at cost less accumulated amortisation and any impairment losses.

#### *Software costs*

Software costs are stated at cost less accumulated amortisation and impairment where applicable. Amortisation is calculated on a straight-line basis to write down the cost less estimated residual value over its useful life. The amortisation rates are between 20% and 50% per annum, reflecting the life of the assets.

#### **Property plant and equipment**

Tangible fixed assets are stated at historical purchase cost less accumulated depreciation. Cost includes the original purchase price together with the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is calculated on a straight-line basis to write off the cost of assets over their useful life as shown below:

Plant and machinery	3 to 10 years
Office furniture and equipment	3 to 10 years
Motor vehicles	4 years

#### **Dividend distribution**

Dividend distributions to the Company's shareholder are recognised as a liability in the Company's financial statements in the year in which the dividends are approved by the Company's shareholder.

#### **Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost is determined by the first in, first out method (FIFO). The cost of work in progress and finished goods comprises the cost of raw materials, direct labour and other direct and related production overheads, relating to the normal level of activity.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. Provision is made against the cost of slow moving, obsolete inventory lines based on the estimated recoverable amounts.

#### **Trade receivables**

Trade receivables are recognised initially at fair value and the Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period 12 months up to the end of the relevant financial year, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables, as significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of

# **Portland Lighting Limited**

## **Notes to the Financial Statements for the year ended 30 June 2021 (continued)**

### **1 Accounting policies (continued)**

the loss is recognised in the income statement within "distribution costs". When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against "distribution costs" in the income statement

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

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

#### **Pension obligations**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independent administered fund. The pension cost charge disclosed in note 4 represents contributions payable by the Company to the fund.

#### **Leases**

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

**Lease liability:** The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses an incremental borrowing rate which is the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

**Right-of-use assets:** The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss in line with the Company's existing impairment accounting policy.

#### **Short term leases and low value assets**

For these leases, payments made under them, are charged to the income statement on a straight-line basis over the term of the lease.

# **Portland Lighting Limited**

## **Notes to the Financial Statements for the year ended 30 June 2021 (continued)**

### **1 Accounting policies (continued)**

#### **Warranty**

The Company recognises a provision for the estimated cost to repair or replace products still under warranty at the balance sheet date. The provision is calculated based on past history of the level of repairs and replacements.

#### **Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the balance sheet date. Exchange differences arising on translation and/or settlement are charged to the income statement where incurred.

#### **Critical accounting estimates and judgements**

The presentation of the annual financial statements in conformity with IFRS as adopted by the EU requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The key estimates and judgements used in the financial statements are as follows:

#### Estimates

##### **Warranty**

The Company provides for expected warranty costs covering both specific known warranty claims and calculating expected future warranty claims in order to estimate the expected costs that will arise in respect of products sold within the remaining warranty periods. The expected future warranty claim provision is calculated by assessing historical data, industry failure rates and the Company's knowledge of products to determine the percentage of sales that should be provided for to cover future associated warranty costs. Note 12 contains details of the warranty provision.

#### Judgements

##### **Warranty**

The Company provides for expected warranty costs covering both specific known warranty claims and calculating expected future warranty claims. In determining this provision, the Company uses its knowledge of its products in the application of failure rates for new products at the start of their warranty period.

#### **Development costs**

The Company undertakes development activities, and the commercial viability of these activities is assessed on a continual basis. As such the Company assesses each new project to determine whether development costs incurred should be capitalised within intangible assets or recognised as an expense within administrative expenses. The Company determines this classification based on the future value of the work based on past experience of similar development projects and the feedback from the marketplace about future expectations for technological development.

# Portland Lighting Limited

## Notes to the Financial Statements for the year ended 30 June 2021 (continued)

### 2 Revenue

The revenue and profit before income tax are predominantly attributable to one activity, manufacture, distribution and sale of specialist lighting equipment in the UK.

### 3 Operating Profit

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

	2021	2020
	£'000	£'000
Cost of inventories recognised as an expense	1,041	939
Auditors' remuneration for audit services	-	-
Depreciation of property, plant and equipment	57	41
Loss/(profit) on disposal of property, plant and equipment	(12)	11
Amortisation of intangible assets	30	26
Expense on short-term and low value leases:		
Property	75	74
Other	-	1
Research and development expenditure credit	(20)	(6)

Amortisation of intangible assets relates to internally generated development costs and is charged to administrative expenses.

Research and expenditure credit of £20,000 (2020: £6,000) is a credit provided by the UK government for carrying out research and development.

# Portland Lighting Limited

## Notes to the Financial Statements for the year ended 30 June 2021 (continued)

### 4 Directors and employees

	2021	2020
	£'000	£'000
Staff costs:		
Wages and salaries	664	617
Social security costs	82	76
Other pension costs (note 18)	25	22
	771	715

The monthly average number of directors and employees employed by the Company during the year is set out below:

	2021	2020
By activity	Number	Number
Production	11	11
Selling and distribution	4	4
Administration	3	2
	18	17

#### Directors' emoluments

Remuneration in respect of the directors was payable as follows:

	2021	2020
	£'000	£'000
Aggregate emoluments	147	133

Included in aggregate emoluments are £15,000 (2020: £14,000) of exercised share options, the cost of which was borne by the parent company FW Thorpe Plc. No recharge is made to the Company for such costs.

Retirement benefits are accruing to one (2020: one) director under money purchase arrangements. At 30 June 2021 an amount of £nil (2020: £nil) was prepaid in respect of contributions to the money purchase pension scheme.

The emoluments of the highest paid director were £147,000 (2020: £133,000) with £5,000 (2020: £5,000) being contributed to a personal pension scheme.

The other directors of the Company are also directors of FW Thorpe Plc and received emoluments from that Company and did not receive any emoluments in respect of their services to the Company (2020: nil). Disclosure of the total emoluments of the directors of FW Thorpe Plc are made in the financial statements of FW Thorpe Plc. It is not possible to allocate the emoluments attributable to the Company of those directors, and as such no recharge has been made to the Company for these costs.



# Portland Lighting Limited

## Notes to the Financial Statements for the year ended 30 June 2021 (continued)

### 5 Finance income

	2021	2020
	£'000	£'000
Interest income from Parent Company	-	4

### 6 Income tax expense

The tax expense is based on the profit for the financial year:

	2021	2020
	£'000	£'000
<b>Current tax:</b>		
UK corporation tax on profit for the year	98	48
Adjustments in respect of previous years	6	-
Total current tax	104	48
<b>Deferred tax:</b>		
Origination and reversal of timing differences (note 13)	53	-
Total deferred tax	53	-
<b>Tax on profit</b>	<b>157</b>	<b>48</b>

The tax assessed for the year is higher (2020: lower) than the standard rate of corporation tax in the UK of 19.00% (2020: 19.00 %). The differences are explained below.

	2021	2020
	£'000	£'000
<b>Profit before income taxation</b>	<b>703</b>	<b>277</b>
Profit multiplied by the standard rate in the UK 19.00% (2020: 19.00%)	134	53
Accelerated capital allowances and timing differences	17	(5)
Adjustments in respect of previous years	6	-
<b>Tax expense for the year</b>	<b>157</b>	<b>48</b>

The UK corporation tax rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020. The UK corporation tax rate increase from 19% to 25% from 1 April 2023, was substantively enacted in May 2021. This has led to an increase in the deferred tax assets and liabilities at 30 June 2021 as these values have been calculated based on a rate at which they are expected to crystallise.

# Portland Lighting Limited

## Notes to the Financial Statements for the year ended 30 June 2021 (continued)

### 7 Property, plant and equipment

	Plant and machinery £'000	Office furniture and equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>				
At 1 July 2020	424	93	64	581
Additions	34	5	30	69
Disposals	(196)	-	(25)	(221)
<b>At 30 June 2021</b>	<b>262</b>	<b>98</b>	<b>69</b>	<b>429</b>
<b>Accumulated depreciation</b>				
At 1 July 2020	258	32	43	333
Charge for the year	27	19	11	57
Disposals	(196)	-	(18)	(214)
<b>At 30 June 2021</b>	<b>89</b>	<b>51</b>	<b>36</b>	<b>176</b>
<b>Net book value</b>				
<b>At 30 June 2021</b>	<b>173</b>	<b>47</b>	<b>33</b>	<b>253</b>
At 30 June 2020	166	61	21	248

# Portland Lighting Limited

## Notes to the Financial Statements for the year ended 30 June 2021 (continued)

### 8 Intangible assets

	Development costs £'000	Software £'000	Total £'000
<b>Cost</b>			
At 1 July 2020	196	6	202
Additions	152	-	152
Disposals	-	-	-
<b>At 30 June 2021</b>	<b>348</b>	<b>6</b>	<b>354</b>
<b>Accumulated amortisation</b>			
At 1 July 2020	119	6	125
Charge for the year	30	-	30
Disposals	-	-	-
<b>At 30 June 2021</b>	<b>149</b>	<b>6</b>	<b>155</b>
<b>Net book value</b>			
<b>At 30 June 2021</b>	<b>199</b>	<b>-</b>	<b>199</b>
At 30 June 2020	77	-	77

Development costs are longer term projects where the benefit is received for several years to come.

# Portland Lighting Limited

## Notes to the Financial Statements for the year ended 30 June 2021 (continued)

### 9 Inventories

	2021	2020
	£'000	£'000
Raw materials and consumables	240	125
Work in progress	14	4
Finished goods and goods for resale	1	1
	255	130

The amount of inventory provision is £26,000 (2020: £48,000).

### 10 Trade and other receivables

	2021	2020
	£'000	£'000
Trade receivables	442	139
Amounts owed by group undertakings	-	9
Amounts owed by parent company	578	400
Prepayments and accrued income	11	15
	1031	563

Amounts owed by the Parent Company in relation to working capital balances generate interest in-line with the Group's deposit facilities.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

The expected credit losses are assessed based on whether each receivable is performing or underperforming in accordance with IFRS9, and a provision is made where appropriate. With the exception of trade receivables from Government departments or agencies, a significant proportion of the trade receivables are insured. The policy covers 90% of the debt in the event of a claim for default. The bad debt provision includes the remaining 10% of the default in the event of a potential claim. At 30 June 2021 the bad debt provision amounted to £5,000 (2020: £35,000).

# Portland Lighting Limited

## Notes to the Financial Statements for the year ended 30 June 2021 (continued)

### 11 Creditors – amounts falling due within one year

	2021	2020
	£'000	£'000
Trade payables	342	61
Amounts owed to parent company	9	36
Corporation tax	84	42
Other taxation and social security	80	33
Accruals and deferred income	79	102
Other payables	8	7
	<b>602</b>	<b>281</b>

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand.

### 12 Provisions for liabilities

	Deferred Tax	Warranty	Total
	£'000	£'000	£'000
At 1 July 2019	6	10	16
Movement in the year	1	-	1
At 30 June 2020	7	10	17
Movement in the year	55	-	55
<b>At 30 June 2021</b>	<b>62</b>	<b>10</b>	<b>72</b>

The Company provides variable warranty periods on the products it sells. Such warranty is in respect of the Company's undertaking to repair or replace those items that fail to perform satisfactorily upon meeting the terms and conditions set by the Company. This is calculated in accordance with the accounting policy estimates section included in Note 1.

# Portland Lighting Limited

## Notes to the Financial Statements for the year ended 30 June 2021 (continued)

### 13 Deferred taxation

	Accelerated tax depreciation	Research & development costs	Total
	£'000	£'000	£'000
At 1 July 2019	5	(11)	(6)
Charged/(credited) to Income Statement (note 6)	-	-	-
Charged directly to equity	3	(4)	(1)
At 30 June 2020	8	(15)	(7)
(Credited) to Income Statement (note 6)	(23)	(30)	(53)
Charged / (credited) directly to equity	3	(5)	(2)
<b>At 30 June 2021</b>	<b>(12)</b>	<b>(50)</b>	<b>(62)</b>

There are no unused tax losses or unused tax credits.

### 14 Share capital

	2021	2020
	£	£
<b>Allotted and fully paid:</b>		
336 ordinary shares of £0.20 each (2020: 336 ordinary shares of £0.20 each)	<b>67</b>	67

There were no shares issued during the year (2020: nil)

### 15 Capital redemption reserve

	2021	2020
	£	£
At 30 June	<b>33</b>	33

# Portland Lighting Limited

## Notes to the Financial Statements for the year ended 30 June 2021 (continued)

### 16 Dividends

Dividends paid	2021 £'000	2020 £'000
Dividends paid for the year £595.24 per share (2020: £1,934.52 per share)	200	650
Dividends proposed	2021 £'000	2020 £'000
Proposed dividend for the year of £1,041.67 per share (2020: £595.24 per share)	350	200

Proposed dividends are not paid or formally approved at the year-end and hence have not been recognised within the 2021 balance sheet or reserves. The proposed dividends have also not been approved at the time of signing the financial statements.

### 17 Capital Commitments

At 30 June 2021, the Company had no capital commitments (2020: £nil).

### 18 Pension scheme

From April 2017 the Company has provided an auto-enrolment pension scheme. Contributions to the auto-enrolment scheme amounted to £20,000 (2020: £17,000). The highest paid director has a separate private pension scheme for which the contributions were £5,000 (2020: £5,000) and contributions of £1,000 (2020: £2,000) were made to the group life assurance scheme.

### 19 Related party transactions and balances

The Company is included in the consolidated financial statements of FW Thorpe Plc and the financial statements of the Group are publicly available.

The Company has taken advantage of the exemption allowed by FRS101, 'Related Party Disclosures' not to disclose transactions and balances with fellow wholly owned Group undertakings of FW Thorpe Plc in these financial statements.

There was one employee who was also a related party. Total remuneration for the year was £33,000 (2020: £33,000).

# **Portland Lighting Limited**

## **Notes to the Financial Statements for the year ended 30 June 2021 (continued)**

### **20 Ultimate Parent Company and controlling party**

The directors consider FW Thorpe Plc, a company registered in England and Wales to be the ultimate Parent Company and controlling party by virtue of its interest in the share capital of the Company.

Copies of the Parent's consolidated financial statements, being the smallest and largest group of undertakings, whose consolidated financial statements contain the Company's numbers, may be obtained from The Secretary, FW Thorpe Plc, Merse Road, North Moons Moat, Redditch, Worcestershire, B98 9HH.