

# Riegens Lighting Limited

Directors' Report and Abbreviated Financial Statements

for the Year Ended 31 December 2011



Lambert Chapman LLP  
Chartered Accountants and Registered Statutory Auditors  
3 Warners Mill  
Braintree  
Essex  
CM7 3GB

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## **Riegens Lighting Limited**

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## **Riegens Lighting Limited**

### **Company Information**

<b>Directors</b>	D M Trueblood B Hibberd K Kehman C J Jensen C Orsleff T Hansen
<b>Company secretary</b>	B Hibberd
<b>Registered office</b>	2 Elliot Drive Springwood Industrial Estate Rayne Road Braintree Essex CM7 2GD
<b>Bankers</b>	Danske Bank London Branch 75 King William Street London EC4N 7DT
<b>Auditors</b>	Lambert Chapman LLP Chartered Accountants and Registered Statutory Auditors 3 Warners Mill Braintree Essex CM7 3GB

# **Riegens Lighting Limited**

## **Directors' Report for the Year Ended 31 December 2011**

The directors present their report and the abbreviated financial statements for the year ended 31 December 2011

### **Directors of the company**

The directors who held office during the year were as follows

D M Trueblood

B Hibberd

K Kehman

C J Jensen

C Orsleff

T Hansen

### **Principal activity**

The principal activity of the company is design and development of bespoke lighting solutions

### **Business review**

Key performance indicators for the company for the year are

	31 December 2011	31 December 2010
Turnover – index	104%	175%
EBIT%	6.0%	11.7%
Net Current Assets (£000's)	£2,054	£1,999
Current Ratio	1.6	1.4

The building sector which we serve has again faced a very challenging year. Despite this the company consolidated the sales growth achieved in 2010.

However margin dropped in 2011 as a result of a combination of intense pressure on price and the company to some extent having outgrown its systems.

The company has, in late 2011, started a major project with assistance from external consultants with the purpose of improving margin and securing a high service level. This will add significant value to the business and allow the company to maintain its commitment to build strong relationships with our customers.

The board is confident that this approach, together with other ongoing initiatives, will give the company a competitive edge and enable it to add to its success through 2012 and beyond.

### **Principal Risks and Uncertainties**

Competitive pressures in the lighting market are high and are a continued risk. The company manages this risk by maintaining strong relationships with its customers and by providing both new and existing customers with the innovative products and customer service that they demand at a price which is competitive. The company has and will continue to support this by investing in the market.

The company maintains a credit insurance policy in order to minimise its exposure to debt risk.

Financing is principally in the form of fixed rate bank loans and so the company is not significantly subject to fluctuations in interest rates.

Some purchases are made in Euros and Danish Krone and are therefore subject to exchange rate fluctuations.

**Riegens Lighting Limited**  
**Directors' Report for the Year Ended 31 December 2011**

..... *continued*

**Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Approved by the Board on <sup>22 May 2012</sup> and signed on its behalf by

B Hibberd  
Director



## **Independent Auditor's Report to Riegens Lighting Limited**

### **Under section 449 of the Companies Act 2006**

We have examined the abbreviated accounts set out on pages 5 to 15 together with the financial statements of Riegens Lighting Limited for the year ended 31 December 2011 prepared under section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company 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, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

#### **Basis of opinion**

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

#### **Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



Lisa Potter FCCA (Senior Statutory Auditor)

For and on behalf of Lambert Chapman LLP, Statutory Auditor

3 Warners Mill  
Braintree  
Essex  
CM7 3GB

Date

25/5/12

**Riegens Lighting Limited**  
**Abbreviated Profit and Loss Account for the Year Ended 31 December 2011**

	Note	2011 £	2010 £
Turnover		<u>16,717,511</u>	<u>16,129,864</u>
Gross profit		3,743,581	4,391,682
Administrative expenses		<u>(2,743,537)</u>	<u>(2,504,214)</u>
Operating profit	2	1,000,044	1,887,468
Interest payable and similar charges	5	<u>(40,126)</u>	<u>(57,937)</u>
Profit on ordinary activities before taxation		959,918	1,829,531
Tax on profit on ordinary activities	6	<u>(268,446)</u>	<u>(540,981)</u>
Profit for the financial year	15	<u>691,472</u>	<u>1,288,550</u>

Turnover and operating profit derive wholly from continuing operations

**Riegens Lighting Limited**  
**(Registration number: 04603607)**  
**Abbreviated Balance Sheet at 31 December 2011**

	Note	2011 £	2010 £
<b>Fixed assets</b>			
Tangible fixed assets	7	<u>835,355</u>	<u>983,345</u>
<b>Current assets</b>			
Stocks	8	1,742,098	2,291,773
Debtors	9	3,786,221	4,387,977
Cash at bank and in hand		<u>1,268</u>	<u>789</u>
		5,529,587	6,680,539
Creditors Amounts falling due within one year	10	<u>(3,475,732)</u>	<u>(4,681,241)</u>
Net current assets		<u>2,053,855</u>	<u>1,999,298</u>
Total assets less current liabilities		2,889,210	2,982,643
Creditors Amounts falling due after more than one year	11	(244,500)	(386,500)
Provisions for liabilities	12	<u>(18,489)</u>	<u>(61,394)</u>
Net assets		<u>2,626,221</u>	<u>2,534,749</u>
<b>Capital and reserves</b>			
Called up share capital	13	100	100
Share premium account	15	1,149,901	1,149,901
Profit and loss account	15	<u>1,476,220</u>	<u>1,384,748</u>
Shareholders' funds	16	<u>2,626,221</u>	<u>2,534,749</u>

The abbreviated accounts have been prepared in accordance with the special provisions of the Companies Act 2006 relating to medium-sized companies

Approved by the Board on 22 May 2012 and signed on its behalf by

B Hibberd  
Director



**Riegens Lighting Limited**  
**Cash Flow Statement for the Year Ended 31 December 2011**

**Reconciliation of operating profit to net cash flow from operating activities**

	Note	2011 £	2010 £
Operating profit		1,000,044	1,887,468
Depreciation, amortisation and impairment charges		121,680	123,949
Profit on disposal of fixed assets		(11,874)	(26,963)
Decrease/(increase) in stocks		549,675	(1,551,469)
Decrease/(increase) in debtors		601,756	(2,625,901)
(Decrease)/increase in creditors		(1,061,978)	2,318,558
Net cash inflow from operating activities		<u>1,199,303</u>	<u>125,642</u>

**Cash flow statement**

	2011 £	2010 £
Net cash inflow/(outflow) from operating activities	<u>1,146,255</u>	<u>(398,994)</u>
<b>Returns on investments and servicing of finance</b>		
Interest paid	<u>(40,126)</u>	<u>(57,937)</u>
Taxation paid	<u>(529,931)</u>	<u>-</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(139,895)	(293,627)
Sale of tangible fixed assets	<u>33,742</u>	<u>68,955</u>
	(106,153)	(224,672)
Equity dividends paid	<u>(600,000)</u>	<u>-</u>
Net cash outflow before management of liquid resources and financing	<u>(129,955)</u>	<u>(681,603)</u>
<b>Financing</b>		
Intercompany loan movements during year	197,385	650,000
Repayment of loans and borrowings	<u>(142,000)</u>	<u>(142,000)</u>
	<u>55,385</u>	<u>508,000</u>
Decrease in cash	<u>(74,570)</u>	<u>(173,603)</u>

**Reconciliation of net cash flow to movement in net debt**

	Note	2011 £	2010 £
Decrease in cash		(74,570)	(173,603)
Cash outflow from repayment of loans		<u>142,000</u>	<u>142,000</u>
Change in net debt resulting from cash flows	19	<u>67,430</u>	<u>(31,603)</u>
Movement in net debt	19	67,430	(31,603)
Net debt at 1 January	19	<u>(1,329,039)</u>	<u>(1,297,436)</u>
Net debt at 31 December	19	<u>(1,261,609)</u>	<u>(1,329,039)</u>

**Riegens Lighting Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2011**

**1 Accounting policies**

**Basis of preparation**

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention

**Turnover**

Turnover represents net invoiced sales in respect of the design and development of bespoke lighting solutions, is recognised on an accruals basis and is exclusive of value added tax

**Depreciation**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated life

<b>Asset class</b>	<b>Depreciation method and rate</b>
Improvements to property	Over the term of the Lease
Plant and machinery	25% Straight Line Method and 10% Straight Line Method
Fixtures and fittings	25% Straight Line Method and 10% Straight Line Method
Motor vehicles	25% Straight Line Method and 20% Straight Line Method

**Stock**

Stocks consist of raw materials and finished goods

Raw materials consist of items purchased which, at the Balance Sheet date, have not been used in the production of lighting products. These are valued at the purchase invoice price

Finished goods are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes purchase invoice price plus associated costs, including an allocation of labour and other expenditure

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

**Foreign currency**

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

**Hire purchase and leasing**

Amounts payable for operating leases are written off to the profit and loss account as they fall due

**Pensions**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

**Riegens Lighting Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2011**

**2 Operating profit**

Operating profit is stated after charging

	<b>2011</b> <b>£</b>	<b>2010</b> <b>£</b>
Operating leases - other assets	197,012	209,577
Auditor's remuneration - The audit of the company's annual accounts	7,720	7,930
Profit on sale of tangible fixed assets	(11,874)	(26,963)
Depreciation of owned assets	<u>266,017</u>	<u>249,313</u>

**3 Particulars of employees**

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows

	<b>2011</b> <b>No.</b>	<b>2010</b> <b>No.</b>
Factory Staff	94	80
Transport & Distribution	6	5
Sales	29	29
Finance & Administration Staff	4	7
Design & Manufacturing Staff	15	16
Management	<u>2</u>	<u>2</u>
	<u>150</u>	<u>139</u>

The aggregate payroll costs were as follows

	<b>2011</b> <b>£</b>	<b>2010</b> <b>£</b>
Wages and salaries	3,337,529	2,972,779
Staff pensions	<u>33,113</u>	<u>33,168</u>
	<u>3,370,642</u>	<u>3,005,947</u>

**Riegens Lighting Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2011**

**4 Directors' remuneration**

The directors' remuneration for the year was as follows

	2011 £	2010 £
Remuneration (including benefits in kind)	216,339	214,560
Company contributions paid to money purchase schemes	<u>11,325</u>	<u>11,325</u>

During the year the number of directors who were receiving benefits and share incentives was as follows

	2011 No	2010 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

In respect of the highest paid director

	2011 £	2010 £
Remuneration	<u>132,572</u>	<u>131,706</u>

**5 Interest payable and similar charges**

	2011 £	2010 £
Interest on bank borrowings	44,453	59,510
Interest on other loans	(17,455)	(14,649)
Other interest payable	<u>13,128</u>	<u>13,076</u>
	<u>40,126</u>	<u>57,937</u>

**6 Taxation**

**Tax on profit on ordinary activities**

	2011 £	2010 £
<b>Current tax</b>		
Corporation tax charge	311,351	529,931
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>(42,905)</u>	<u>11,050</u>
Total tax on profit on ordinary activities	<u>268,446</u>	<u>540,981</u>

**Riegens Lighting Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2011**

**Factors affecting current tax charge for the year**

Tax on profit on ordinary activities for the year is higher than (2010 - higher than) the standard rate of corporation tax in the UK of 26.49% (2010 - 28%)

The differences are reconciled below

	2011 £	2010 £
Profit on ordinary activities before taxation	959,918	1,829,531
Corporation tax at standard rate	254,282	512,269
Capital allowances in excess of depreciation	18,353	(12,468)
Other timing differences	14,592	(490)
Expenses not deductible for tax purposes	24,124	30,620
Total current tax	311,351	529,931

**7 Tangible fixed assets**

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 January 2011	182,564	1,594,054	421,366	409,793	2,607,777
Additions	8,270	13,991	20,449	97,185	139,895
Disposals	-	-	-	(90,804)	(90,804)
At 31 December 2011	190,834	1,608,045	441,815	416,174	2,656,868
<b>Depreciation</b>					
At 1 January 2011	105,562	992,724	343,849	182,297	1,624,432
Charge for the year	13,151	113,380	34,033	105,453	266,017
Eliminated on disposals	-	-	-	(68,936)	(68,936)
At 31 December 2011	118,713	1,106,104	377,882	218,814	1,821,513
<b>Net book value</b>					
At 31 December 2011	72,121	501,941	63,933	197,360	835,355
At 31 December 2010	77,002	601,330	77,517	227,496	983,345

**8 Stocks**

	2011 £	2010 £
Raw materials	728,960	1,069,965
Finished goods	1,013,138	1,221,808
	1,742,098	2,291,773

**Riegens Lighting Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2011**

**9 Debtors**

	2011 £	2010 £
Trade debtors	3,555,198	4,164,683
Other debtors	108,983	104,364
Prepayments and accrued income	122,040	118,930
	<u>3,786,221</u>	<u>4,387,977</u>

**10 Creditors: Amounts falling due within one year**

	2011 £	2010 £
Trade creditors	1,223,079	1,685,522
Bank loans and overdrafts	1,018,377	943,328
Intercompany trading account	149,648	241,173
Amounts owed to group undertakings	197,385	650,000
Corporation tax	311,351	529,931
Other taxes and social security	389,647	365,243
Other creditors	10,293	9,722
Accruals and deferred income	175,952	256,322
	<u>3,475,732</u>	<u>4,681,241</u>

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the company

	2011 £	2010 £
Bank overdrafts	876,377	801,328
Bank loans	142,000	142,000
	<u>1,018,377</u>	<u>943,328</u>

The bank holds two multi-option facilities for £950,000 and £178,500 for which Riegens A/S have provided security

The bank has a fixed and floating charge over all the company's assets, and secondly a deed of subordination in respect of intercompany loans from Riegens A/S amounting to approximately £475,000

In respect of total exposure to Danske Bank, Riegens Lighting Limited, Riegens A/S and Riegens Investment A/S hold joint and several liability

**Riegens Lighting Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2011**

**11 Creditors: Amounts falling due after more than one year**

	2011 £	2010 £
Bank loans and overdrafts	<u>244,500</u>	<u>386,500</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the company

	2011 £	2010 £
Bank loans	<u>244,500</u>	<u>386,500</u>

Creditors includes the following liabilities, on which security has been given by the company

	2011 £	2010 £
Amounts falling due within one year	1,018,377	943,328
Amounts falling due after more than one year	<u>244,500</u>	<u>386,500</u>
Total secured creditors	<u>1,262,877</u>	<u>1,329,828</u>

**12 Provisions**

	Deferred tax £	Total £
At 1 January 2011	10,000	10,000
Credited to the profit and loss account	<u>(52,905)</u>	<u>(52,905)</u>
At 31 December 2011	<u>(42,905)</u>	<u>(42,905)</u>

**Analysis of deferred tax**

	2011 £	2010 £
Difference between accumulated depreciation and amortisation and capital allowances	<u>42,905</u>	<u>11,050</u>
	<u>42,905</u>	<u>11,050</u>

**13 Share capital**

**Allotted, called up and fully paid shares**

	2011		2010	
	No.	£	No.	£
Ordinary of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

**Riegens Lighting Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2011**

**14 Dividends**

	2011 £	2010 £
<b>Dividends paid</b>		
Current year interim dividend paid	<u>600,000</u>	<u>-</u>

**15 Reserves**

	Share premium account £	Profit and loss account £	Total £
At 1 January 2011	1,149,901	1,384,748	2,534,649
Profit for the year	-	691,472	691,472
Dividends	-	(600,000)	(600,000)
At 31 December 2011	<u>1,149,901</u>	<u>1,476,220</u>	<u>2,626,121</u>

**16 Reconciliation of movement in shareholders' funds**

	2011 £	2010 £
Profit attributable to the members of the company	691,472	1,288,550
Dividends	<u>(600,000)</u>	<u>-</u>
Net addition to shareholders' funds	91,472	1,288,550
Shareholders' funds at 1 January	<u>2,534,749</u>	<u>1,246,199</u>
Shareholders' funds at 31 December	<u>2,626,221</u>	<u>2,534,749</u>

**17 Pension schemes**

**Defined contribution pension scheme**

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £33,113 (2010 - £33,168).

Contributions totalling £7,947 (2010 - £9,722) were payable to the scheme at the end of the year and are included in creditors.

**Riegens Lighting Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2011**

**18 Commitments**

**Operating lease commitments**

As at 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2011 £	2010 £
<b>Land and buildings</b>		
Within two and five years	200,000	-
Over five years	-	200,000
	<u>200,000</u>	<u>200,000</u>
<b>Other</b>		
Within one year	176	866
Within two and five years	10,284	6,848
	<u>10,460</u>	<u>7,714</u>

**19 Analysis of net debt**

	At 1 January 2011 £	Cash flow £	At 31 December 2011 £
Cash at bank and in hand	789	479	1,268
Bank overdraft	(801,328)	(75,049)	(876,377)
	<u>(800,539)</u>	<u>(74,570)</u>	<u>(875,109)</u>
Debt due within one year	(142,000)	-	(142,000)
Debt due after more than one year	(386,500)	142,000	(244,500)
Net debt	<u>(1,329,039)</u>	<u>67,430</u>	<u>(1,261,609)</u>

**20 Related party transactions**

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group

**21 Control**

The company is controlled by Riegens A/S, a company registered in Denmark. The ultimate controlling party is Erhvervsinvest II K/S, a company registered in Denmark.