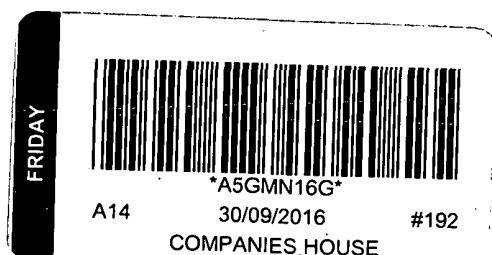


financial statements

Dorman Smith Switchgear Limited

For the year ended: 31 December 2015

Company registration number: 00327695



MHA MacIntyre Hudson
GLOBAL EXPERTISE • NATIONAL EXPERIENCE • LOCAL EXCELLENCE®

DORMAN SMITH SWITCHGEAR LIMITED

COMPANY INFORMATION

Directors	P K Ramakrishnan C J Josselyn K Ghazali (appointed 11 April 2016)
Company secretary	Pinsent Masons Secretarial Limited
Registered number	00327695
Registered office	Ground Floor Unit 1 Nelson Court Business Centre Preston PR2 2XU
Independent auditor	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ

DORMAN SMITH SWITCHGEAR LIMITED

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DORMAN SMITH SWITCHGEAR LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

Introduction

The principal activity of the company is the supply of equipment for low-voltage electrical distribution systems and circuit protection into the building services industry.

Business review

The directors consider that the company's performance, as shown on page 6, is satisfactory given the difficult trading conditions within the building industry in the past couple of years.

The company maintains strong internal and external contacts with customers, suppliers and employees with ever growing strength of management skills. The building services market is now improving and in light of this, the directors consider that the company is well-placed to improve on the current year's performance in 2016.

Principal risks and uncertainties

The directors remain alert to the risks prevalent in a commercial environment and continue to take steps to minimise or mitigate these risks.

Financial key performance indicators

The directors consider the following to be the key financial performance indicators of the company: Turnover, Gross Profit, Gross Profit Margin, Operating Profit and Operating Profit margin.

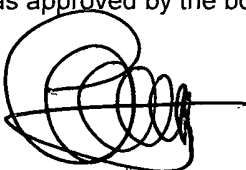
Other key performance indicators

The directors continue to use both financial and non financial key performance indicators to manage the business.

This report was approved by the board and signed on its behalf.

C J Josselyn
Director

Date:


28/09/16

DORMAN SMITH SWITCHGEAR LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

Directors' responsibilities statement

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

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; 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.

Results and dividends

The profit for the year, after taxation, amounted to £52,039 (2014 - £86,926).

Directors

The directors who served during the year were:

P K Ramakrishnan
C J Josselyn

Future developments

The company continues to develop and procure products to customer requirements whilst maintaining full accredited certification. As such the company retains and grows its customer base and together with supplier and employee support the directors consider that the company is well placed to improve on its current years performance in 2016.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

DORMAN SMITH SWITCHGEAR LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

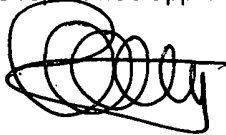
Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditor, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



C J Josselyn
Director

Date:

26/09/16.

DORMAN SMITH SWITCHGEAR LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DORMAN SMITH SWITCHGEAR LIMITED

We have audited the financial statements of Dorman Smith Switchgear Limited for the year ended 31 December 2015, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 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.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

BASIS FOR QUALIFIED OPINION ON FINANCIAL STATEMENTS

As the parent company of a medium-sized group, The Companies Act 2006 requires the company to prepare group financial statements. However, as explained more in note 12 to the financial statements, the company is unable to include the consolidated information for the group due to restrictions on the availability of accounting information from its overseas subsidiary. Accordingly, these financial statements only contain disclosures related to the company's own affairs and do not contain all the disclosures related to the group as required by the Companies Act 2006.

Qualified Opinion on financial statements

In our opinion, except for the matters described in the Basis for Qualified Opinion Paragraph, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit 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.

DORMAN SMITH SWITCHGEAR LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DORMAN SMITH SWITCHGEAR LIMITED

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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 directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

MHA MacIntyre Hudson

Yogan Patel (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Date: *30 September 2016*

DORMAN SMITH SWITCHGEAR LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £	2014 £
Turnover		5,561,542	5,597,489
Cost of sales		(3,750,101)	(3,753,833)
Gross profit		1,811,441	1,843,656
Administrative expenses		(1,758,252)	(1,755,978)
Operating profit		53,189	87,678
Interest payable and expenses	8	(1,150)	(752)
Profit before tax		52,039	86,926
Profit for the year		52,039	86,926

There were no recognised gains and losses for 2015 or 2014 other than those included in the Statement of Comprehensive Income.

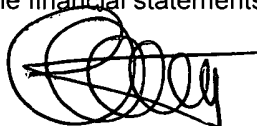
The notes on pages 11 to 27 form part of these financial statements.

DORMAN SMITH SWITCHGEAR LIMITED
REGISTERED NUMBER:00327695

BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
Fixed assets			
Intangible assets	10	9,676	-
Tangible assets	11	207,346	239,999
Investments	12	165,330	165,330
		<u>382,352</u>	<u>405,329</u>
Current assets			
Stocks	13	867,469	1,064,878
Debtors: amounts falling due within one year	14	1,323,929	1,301,316
Cash at bank and in hand	15	241,565	197,087
		<u>2,432,963</u>	<u>2,563,281</u>
Creditors: amounts falling due within one year	16	(1,881,635)	(2,052,569)
Net current assets		<u>551,328</u>	<u>510,712</u>
Total assets less current liabilities		<u>933,680</u>	<u>916,041</u>
Creditors: amounts falling due after more than one year	17	(803,806)	(803,806)
Provisions for liabilities			
Other provisions	19	(18,421)	(52,821)
		<u>(18,421)</u>	<u>(52,821)</u>
Net assets		<u>111,453</u>	<u>59,414</u>
Capital and reserves			
Called up share capital	21	165,330	165,330
Retained profits	20	(53,877)	(105,916)
		<u>111,453</u>	<u>59,414</u>

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



C J Josselyn
 Director

Date: 26/09/16.

The notes on pages 11 to 27 form part of these financial statements.

DORMAN SMITH SWITCHGEAR LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Share capital £	Retained earnings £	Total equity £
At 1 January 2015	165,330	(105,916)	59,414
Comprehensive income for the year			
Profit for the year	-	52,039	52,039
	<hr/>	<hr/>	<hr/>
At 31 December 2015	165,330	(53,877)	111,453
	<hr/>	<hr/>	<hr/>

DORMAN SMITH SWITCHGEAR LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Share capital £	Retained earnings £	Total equity £
At 1 January 2014	165,330	(192,842)	(27,512)
Comprehensive income for the year			
Profit for the year	-	86,926	86,926
Total comprehensive income for the year	-	86,926	86,926
At 31 December 2014	165,330	(105,916)	59,414

The notes on pages 11 to 27 form part of these financial statements.

DORMAN SMITH SWITCHGEAR LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015 £	2014 £
Cash flows from operating activities		
Profit for the financial year	52,039	86,926
Adjustments for:		
Depreciation of tangible assets	69,030	60,424
Increase in stocks	197,409	(283,333)
Interest paid	1,150	752
Increase in debtors	(22,613)	(69,227)
Increase in creditors	147,565	106,157
(Decrease) / increase in amounts owed to groups	(318,500)	213,085
Decrease in provisions	(34,400)	-
Net cash generated from operating activities	91,680	114,784
Cash flows from investing activities		
Purchase of intangible fixed assets	(9,676)	-
Purchase of tangible fixed assets	(36,377)	(23,934)
Net cash from investing activities	(46,053)	(23,934)
Cash flows from financing activities		
Interest paid	(1,150)	(752)
Net cash used in financing activities	(1,150)	(752)
Net increase in cash and cash equivalents	44,477	90,098
Cash and cash equivalents at beginning of year	197,088	106,989
Cash and cash equivalents at the end of year	241,565	197,087
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	241,565	197,087
	241,565	197,087

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 26.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Going concern

These financial statements have been prepared on the going concern basis.

The company's ultimate controlling party, JBK Holdings Limited, has indicated that it will provide financial support to ensure the company can continue to trade for the foreseeable future and that it has the means to do so.

On this basis, the directors consider it appropriate to continue to prepare the financial statements on the going concern basis.

1.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. Accounting policies (continued)

1.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 5 years straight line
Fixtures and fittings	- 5 years straight line
Computer equipment	- 3 - 7 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

1.6 Operating leases

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. Accounting policies (continued)

1.7 Development costs

Research and development costs are capitalised within intangible assets when they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Statement of Comprehensive Income.

All other research and development costs are written off to the Statement of Comprehensive Income.

1.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

1.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. Accounting policies (continued)

1.12 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

1.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.14 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. Accounting policies (continued)

1.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are set out below:

i. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. This is when the company has transferred the significant risks and rewards of ownership to the buyer. Although this is not considered to be a complex judgement for the company, revenue recognition is still considered to be a critical accounting policy.

ii. Inventories

The valuation of inventories is critical to the production of the financial statements. Judgment is required in determining whether there is any provision against slow-moving or obsolete items. This involves evaluating the likelihood of the further sale of particular stock items.

DORMAN SMITH SWITCHGEAR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

3. Analysis of turnover

The whole of the turnover is attributable to the principal activity of the company.

Analysis of turnover by country of destination:

	2015 £	2014 £
United Kingdom	5,561,542	5,597,489
	<u>5,561,542</u>	<u>5,597,489</u>

4. Operating profit

The operating profit is stated after charging:

	2015 £	2014 £
Research and development charged as an expense	60	4,728
Depreciation of tangible fixed assets	69,030	60,424
Fees payable to the Company's auditor and its associates for the audit of the company's annual accounts	11,000	15,288
Foreign exchange differences	(8,574)	1,017
Defined contribution pension cost	54,155	60,346
	<u>54,155</u>	<u>60,346</u>

5. Auditor's remuneration

	2015 £	2014 £
Fees payable to the auditor of the Company's annual accounts	11,000	15,288
	<u>11,000</u>	<u>15,288</u>

DORMAN SMITH SWITCHGEAR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2015 £	2014 £
Wages and salaries	1,299,373	1,188,561
Social security costs	119,969	107,862
Cost of defined contribution scheme	54,156	60,346
	<u>1,473,498</u>	<u>1,356,769</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2015 No.	2014 No.
Administrative staff	39	31
Management	2	2
	<u>41</u>	<u>33</u>

7. Directors' remuneration

	2015 £	2014 £
Directors' emoluments	59,032	58,000
Company contributions to defined contribution pension schemes	5,090	4,650
	<u>64,122</u>	<u>62,650</u>

During the year retirement benefits were accruing to 1 director (2014 - 1) in respect of defined contribution pension schemes.

8. Interest payable and similar charges

	2015 £	2014 £
Bank interest payable	1,150	752
	<u>1,150</u>	<u>752</u>

DORMAN SMITH SWITCHGEAR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

9. Taxation

	2015 £	2014 £
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20% (2014 - 20%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	52,039	86,926
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 20%)	10,408	17,385
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	230	2,086
Capital allowances for year in excess of depreciation	(191)	(433)
Utilisation of tax losses	(10,447)	(19,038)
Total tax charge for the year	-	-

Factors that may affect future tax charges

The company has unrelieved trading losses of £5,000 to utilise in future periods.

DORMAN SMITH SWITCHGEAR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

10. Intangible assets

	Development costs £
Cost	
Additions	9,676
At 31 December 2015	<u>9,676</u>
Net book value	
At 31 December 2015	<u>9,676</u>
At 31 December 2014	<u>-</u>

11. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2015	79,620	1,415	233,677	314,712
Additions	16,705	240	19,432	36,377
At 31 December 2015	<u>96,325</u>	<u>1,655</u>	<u>253,109</u>	<u>351,089</u>
Depreciation				
At 1 January 2015	17,169	197	57,347	74,713
Charge owned for the period	17,651	353	51,026	69,030
At 31 December 2015	<u>34,820</u>	<u>550</u>	<u>108,373</u>	<u>143,743</u>
Net book value				
At 31 December 2015	<u>61,505</u>	<u>1,105</u>	<u>144,736</u>	<u>207,346</u>
At 31 December 2014	<u>62,451</u>	<u>1,218</u>	<u>176,330</u>	<u>239,999</u>

DORMAN SMITH SWITCHGEAR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

12. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2015	165,330
At 31 December 2015	165,330
Net book value	
At 31 December 2015	165,330
At 31 December 2014	165,330

DORMAN SMITH SWITCHGEAR LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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12. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Dorman Smith Switchgear LLC	Emirate of Dubai, United Arab Emirates	Ordinary	49 %	Assembly and distribution of electrical transmission and distribution panels, electric switches, electric distribution boards.

The remaining 51% ordinary share holding is held by an individual in trust for the company and therefore the investment in the subsidiary undertaking comprises the beneficial ownership of the entire issued share capital of Dorman Smith Switchgear LLC.

The company is required to prepare consolidated accounts. However, the company is not able to prepare consolidated accounts due to restrictions on the availability of accounting information from Dorman Smith Switchgear LLC.

The aggregate of the share capital and reserves as at 31 December 2015 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Dorman Smith Switchgear LLC	1	392,730

13. Stocks

	2015 £	2014 £
Finished goods and goods for resale	867,469	1,064,878
	867,469	1,064,878

Stock recognised in cost of sales during the year as an expense was £3,212,257 (2014 - £3,123,089).

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14. Debtors

	2015 £	2014 £
Trade debtors	1,181,588	1,193,911
Other debtors	70,632	57,600
Prepayments and accrued income	71,709	49,805
	<u>1,323,929</u>	<u>1,301,316</u>

15. Cash and cash equivalents

	2015 £	2014 £
Cash at bank and in hand	241,565	197,087
	<u>241,565</u>	<u>197,087</u>

16. Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	1,051,373	952,816
Amounts owed to group undertakings	275,946	594,446
Taxation and social security	174,060	135,432
Other creditors	295,833	299,622
Accruals and deferred income	84,423	70,253
	<u>1,881,635</u>	<u>2,052,569</u>

17. Creditors: Amounts falling due after more than one year

	2015 £	2014 £
Amounts owed to group undertakings	803,806	803,806
	<u>803,806</u>	<u>803,806</u>

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18. Financial instruments

	2015 £	2014 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>1,659,114</u>	<u>1,613,928</u>
	<u><u>1,659,114</u></u>	<u><u>1,613,928</u></u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(2,511,381)</u>	<u>(2,720,942)</u>
	<u><u>(2,511,381)</u></u>	<u><u>(2,720,942)</u></u>

Financial assets measured at amortised cost comprise cash at bank, investments, trade and other debtors.

Financial liabilities measured at amortised cost comprise loans, accruals, trade creditors and amounts owed to group undertakings.

19. Provisions

	Legal claim provision £	Warranty provision £	Total £
At 1 January 2015	39,502	13,319	52,821
Utilised in year	(34,400)	-	(34,400)
At 31 December 2015	<u><u>5,102</u></u>	<u><u>13,319</u></u>	<u><u>18,421</u></u>

The company has recognised a provision in respect of all industrial deafness claims currently in progress. Any future claims have not been included because a reliable estimate of the obligation cannot currently be made.

The warranty provision relates to free of charge replacements for products covered under warranty.

20. Reserves**Retained Profits**

This represents the accumulation of retained profits which are in the form of distributable reserves. No dividends were recognised within the current or previous year.

DORMAN SMITH SWITCHGEAR LIMITED

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21. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
165,330 ordinary shares of £1 each	<u>165,330</u>	<u>165,330</u>

22. Pension

The company makes contributions to a defined contribution scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Statement of Comprehensive Income. At 31 December 2015 there were contributions payable of £6,585 (2014 - £18,939) to the scheme.

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Commitments under operating leases

At 31 December 2015 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2015 £	2014 £
Land and buildings		
Not later than 1 year	79,571	79,571
Later than 1 year and not later than 5 years	237,129	237,129
Total	316,700	316,700
	2015 £	2014 £
Other		
Not later than 1 year	7,780	7,780
Later than 1 year and not later than 5 years	9,174	16,954
Total	16,954	24,734

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24. Related party transactions

JBK Holdings Limited is the ultimate parent undertaking of the company. During the year the company made no payments (2014 - £132,523) to JBK Holdings Limited.

At the balance sheet date, the amount due to JBK Holdings Limited was £803,806 (2014 - £803,806).

The company is beneficially entitled to the entire share capital of Dorman Smith Switchgear LLC. During the year the following transactions took place:

The company made sales to Dorman Smith Switchgear LLC totalling £56,104 (2014 - £96,098).

At the balance sheet date, the company owed Dorman Smith Switchgear LLC £275,946 (2014 - £594,446) and the company owed JBK Controls W.L.L £295,833 (2014 - £295,833). JBK Controls W.L.L is a member of the JBK Group of companies.

Remuneration paid to key management personnel in the period amounted to £171,395 (2014 - £171,385).

25. Controlling party

JBK Holdings Limited, a company incorporated in the United Arab Emirates, is the ultimate parent company and controlling party of the group. Dorman Smith Holdings Limited owns the entire share capital of Dorman Smith Switchgear Limited and heads up the smallest and largest group for which group accounts should be prepared. There is no controlling party of JBK Holdings Limited.

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26. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.