

STANLEY ELECTRIC HOLDING EUROPE CO., LIMITED

Annual report for the year ended 31 March 2016

Registered no: 05891957

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Stanley Electric Holding Europe Co., Limited

Annual report for the year ended 31 March 2016

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Stanley Electric Holding Europe Co., Limited

Strategic report for the year ended 31 March 2016

The directors present their strategic report on the Company for the year ended 31 March 2016.

Principal activities

The principal activity of the Company is the management of funds within the Group in Europe and the enhancement of the accounting and financial system within the group.

The Company has four subsidiary undertakings: Stanley Electric (U.K.) Company Limited (referred to as SEU), Stanley Electric GmbH (referred to as SED), Stanley Electric Hungary KFT (referred to as SEH) and Stanley Idess S.A.S (referred to as SID). The principal activities of SED and SEU include the purchase and sale of lighting products primarily automotive lighting, light emitting diodes, liquid crystal displays, sub miniature lamps and applied electronic products. The principal activities of SID include the purchase and sale of light emitting diodes, liquid crystal displays and sub miniature lamps. The principal activity of SEH is the production of lighting products primarily automotive lighting such as headlamps and rear combination lamps.

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements, unless otherwise indicated, were:

Takanori Kitano	(reappointed 4 June 2015)
Katsutoshi Iino	(reappointed 4 June 2015)
Yutaka Hiratsuka	(resigned 4 June 2015)
Itsuro Yoshinami	(resigned 22 April 2015)
Masanobu Hasegawa	(reappointed 4 June 2015)
Koji Shimoda	(appointed 4 June 2015)

Business review

The result for the Company show a profit for the financial year of €1, 481,726(2015: €343,468).

The increase in profit for the financial year is mainly due to the increase in dividends received from subsidiaries and the decrease in foreign exchange losses. The Company has net assets of €24,673,401 (2015: €23,191,675), loan receivable balance of €4,000,000 (2015: €9,500,000), loan payable balance: nil (2015: €3,194,855).

The board monitors progress of the overall company strategy and the individual strategic elements by reference to three Key Performance Indicators. Key Performance Indicators during the year are set out in the table below:

	31 March 2016 €	31 March 2015 €
Personal expenses	232,610	197,331
Sales and general administrative expenses	70,632	123,028
Total sales and general administrative expenses	303,242	320,359
Loan receivable balance	4,000,000	9,500,000
Total net asset	24,673,401	23,191,675

Stanley Electric Holding Europe Co., Limited

Strategic report for the year ended 31 March 2016 (continued)

Transition to FRS 101

During the year the company transitioned from UK Accounting Standard to FRS 101 - Reduced Disclosure Framework and has taken advantage of the disclosure exemptions allowed under this standard. The Company's parent undertaking, Stanley Electric Co., Ltd., was notified of and did not object to the use of the EU-adopted IFRS disclosure exemptions. There were no material recognition or measurement differences arising on the adoption of FRS 101.

On behalf of the board

A handwritten signature in black ink, appearing to read 'Hasegawa', written over a horizontal line.

Director
Masanobu Hasegawa
/3 June 2016

Stanley Electric Holding Europe Co., Limited

Directors' report for the year ended 31 March 2016

The directors present their report and the audited consolidated financial statements for the year ended 31 March 2016.

General information

Company name : Stanley Electric Holding Europe Co., Limited
Country of incorporation: United Kingdom
Address of the registered office: Atrium Court, The Ring, Bracknell, Berkshire, RG12 1BW.

Future Developments

In order to expand the functions as the European Holding Company, we will bolster compliance and governance functions within Europe, and, as well as putting in place a system of risk prevention measures, establish in the region a culture in which impropriety and mistakes do not occur. The Company will train staff to be up to speed with the legal and taxation systems of each country. These trained members of staff will then provide appropriate advice to each company in Europe, and put in place business risk prevention measures. Foreign exchange risk will be concentrated on the Company, which will manage and keep forex risk within the region to a minimum.

Results and dividends

The Company's profit for the financial year ended 31 March 2016 amounted to €1,481,726 (2015: €343,468).

The directors propose the payment of dividend in respect of the year ended 31 March 2016 amounting to €296,698 (2015: nil) which is expected to be paid on 7 July 2016.

Financial risk management policies

The Company's operations expose it to a variety of financial risks that include credit risk, liquidity risk, interest rate risk and exchange rate risk. The policies set by the board of directors of the parent company are implemented by the Company. The Company has a policy and procedures manual that set out specific guidelines to manage credit risk, interest rate risk and circumstances where it would be appropriate to use financial instruments to manage these.

Credit risk: When lending funds to a subsidiary, the company obtains an accurate picture of the state of its financial health and confirms a repayment schedule. Approval follows full deliberation by the Board of Directors at the Company's parent.

Liquidity risk: The Company has a feasible cash balance and equivalents to cover the business running.

Interest rate risk: The Company has material interest-bearing assets. Its profits and operating cashflow are materially linked to fluctuations in market interest rates. The interest on loans paid to the company by its subsidiaries and the interest paid by the company to the parent both are set in according with market rates, and are therefore hedged.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the 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

Stanley Electric Holding Europe Co., Limited

Directors' report for the year ended 31 March 2016

Statement of directors' responsibilities (continued)

loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent ;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements ;
- notify the company's shareholders in writing about the use of the disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements ; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

In the case of each of the persons who are directors at the time when the report is approved under section 418 the following applies:

- (a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (b) he has taken all the necessary steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

On behalf of the board



Director
Masanobu Hasegawa
/ 3 June 2016

Stanley Electric Holding Europe Co., Limited

Independent auditors' report to the members of Stanley Electric Holding Europe Co., Limited

Report on the financial statements

Our opinion

In our opinion, Stanley Electric Holding Europe Co., Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2016 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.
-

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Statement of financial position as at 31 March 2016;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Stanley Electric Holding Europe Co., Limited

Independent auditors' report to the members of Stanley Electric Holding Europe Co., Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 3 and 4, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves


We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual 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.



Daniel Dennett (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

13 June 2016

Stanley Electric Holding Europe Co., Limited

Statement of comprehensive income for the year ended 31 March 2016

		2016	2015
	Note	€	€
Administrative expenses		<u>(287,605)</u>	<u>(932,875)</u>
Operating loss	4	(287,605)	(932,875)
Income from shares in subsidiary undertakings		<u>1,738,080</u>	<u>1,070,480</u>
Profit on ordinary activities before interest and taxation		1,450,475	137,605
Finance income	5	57,630	122,827
Finance costs	6	<u>(6,155)</u>	<u>(35,178)</u>
Profit on ordinary activities before income tax		1,501,950	225,254
Income tax (expense)/credit on profit on ordinary activities	10	<u>(20,224)</u>	<u>118,214</u>
Profit for the financial year		1,481,726	343,468
Other comprehensive income for the financial year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the financial year		1,481,726	343,468

The results above relate to continuing activities.

The notes on pages 10 to 19 form part of these financial statements.

Stanley Electric Holding Europe Co., Limited

Statement of financial position as at 31 March 2016

	Note	2016 €	2015 €
Fixed assets			
Investments in subsidiaries	11	<u>15,807,629</u>	<u>15,807,629</u>
		15,807,629	15,807,629
Current assets			
Trade and other receivables	12	<u>4,083,264</u>	<u>9,777,221</u>
Cash and cash equivalents		<u>4,856,399</u>	<u>916,600</u>
		8,939,663	10,693,821
Creditors: amounts falling due within one year	13	<u>(73,891)</u>	<u>(3,309,775)</u>
Net current assets		<u>8,865,772</u>	<u>7,384,046</u>
Total assets less current liabilities		24,673,401	23,191,675
Net assets		<u>24,673,401</u>	<u>23,191,675</u>
Equity			
Ordinary shares	14	<u>13,610,000</u>	<u>13,610,000</u>
Retained earnings		<u>11,063,401</u>	<u>9,581,675</u>
Total shareholders' funds		<u>24,673,401</u>	<u>23,191,675</u>

The financial statements on pages 7 to 19 were approved by the directors on 13 June 2016 and were signed on its behalf by:


 Masanobu Hasegawa
 Director
 Stanley Electric Holding Europe Co., Limited
 Register no. 05891957

Stanley Electric Holding Europe Co., Limited

Statement of changes in equity for the year ended 31 March 2016

	Ordinary shares	Retained earnings	Total shareholders' funds
Note	€	€	€
Balance as at 1 April 2014	13,610,000	9,238,207	22,848,207
Profit for the financial year	-	343,468	343,468
Other comprehensive income for the financial year	-	-	-
Total comprehensive income for the financial year	-	343,468	343,468
Balance as at 31 March 2015	13,610,000	9,581,675	23,191,675
Profit for the financial year	-	1,481,726	1,481,726
Other comprehensive income for the financial year	-	-	-
Total comprehensive income for the financial year	-	1,481,726	1,481,726
Balance as at 31 March 2016	13,610,000	11,063,401	24,673,401

The notes on pages 10 to 19 are an integral part of these financial statements.

Stanley Electric Holding Europe Co., Limited

Notes to the financial statements for the year ended 31 March 2016

1 General information

The principal activity of the Company is the management of funds within the Group in Europe and the enhancement of the accounting and financial system within the group.

The Company has four subsidiary undertakings: Stanley Electric (U.K.) Company Limited (referred to as SEU), Stanley Electric GmbH (referred to as SED), Stanley Electric Hungary KFT (referred to as SEH) and Stanley Idess S.A.S (referred to as SID). The principle activities of SED and SEU include the purchase and sale of lighting products primarily automotive lighting, light emitting diodes, liquid crystal displays, sub miniature lamps and applied electronic products. The principle activities of SID include the purchase and sale of light emitting diodes; liquid crystal displays and sub miniature lamps. The principal activity of SEH is the production of lighting products primarily automotive lighting such as headlamps and rear combination lamps.

The Company is a private company and is incorporated and domiciled in the UK. The address of its registered office is Atrium Court, The Ring, Bracknell, Berkshire, RG12 1BW.

2 Summary of significant accounting policies

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

The financial statements of the company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006. These financial statements are presented in Euro ("€"). Exchange rate applied at 31 March 2016 was €1/GBP = 0.7900 (2015: €1/GBP = 0.7286).

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Stanley Electric Holding Europe Co., Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

2 Summary of significant accounting policies (continued)

2.2 Exemption for qualifying entities under FRS 101

The following exemption from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with ;

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined)
- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in paragraph respect of:
 - i) 79(a)(iv) of IAS 1;
 - ii) paragraph 73(e) of IAS 16 Property, plant and equipment;
 - iii) paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1, 'Presentation of financial statements' ;
 - 10(d), (statement of cash flows)
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
 - 16 (statement of compliance with all IFRS)
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 40A-D (requirements for a third statement of financial position,
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

2.3 Group financial statements

The Company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare group financial statements as it is a wholly owned subsidiary of Stanley Electric Co., Ltd. and the results of the Company are included in the consolidated financial statements of Stanley Electric Co., Ltd. which are publicly available from 2-9-13, Nakameguro, Meguro-ku, Tokyo 153-8636, Japan.

2.4 Investments in subsidiary undertakings

Investments in subsidiary undertakings are held at cost less accumulated impairment losses.

Stanley Electric Holding Europe Co., Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

2 Summary of significant accounting policies (continued)

2.5 Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

2.6 Foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated into euros at the rate of exchange ruling at the 31 March 2016. Transactions in currencies other than euros are recorded at the rate ruling at the prior month end, with any gain or loss being charged to the profit and loss account. Exchange rate applied at 31 March 2016 was €1/GBP = 0.7900 (2015: €1/GBP = 0.7286)

2.7 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.8 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Stanley Electric Holding Europe Co., Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

2 Summary of significant accounting policies (continued)

2.9 Financial Instruments

i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value.

The Company's financial assets include cash and bank deposits, trade and other receivables.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest (EIR) method, less impairment. Losses arising from impairment are recognised in the income statement in other operating expenses. This category generally applies to the Company's trade and other receivables.

Provision for impairment is made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Cash at bank and in hand

Cash at bank and in hand in the balance sheet comprise cash at current bank accounts and in hand. Cash at bank and in hand are recognised and carried at fair value.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Interest bearing loans and borrowings

Obligations for loans and borrowings are recognised when the Company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

This category generally applies to the Company's trade and other payables.

Stanley Electric Holding Europe Co., Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

2 Summary of significant accounting policies (continued)

2.9 Financial Instruments (continued)

ii) Financial liabilities (continued)

Derecognition of financial liabilities

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

3 Judgements and key source of estimation of uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

(a) Impairment of trade and other receivables

The company makes an estimate of the recoverable value of trade and other receivables. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience.

(b) Impairment of investments in subsidiary undertakings

The company periodically assess the impairment of investments in subsidiary undertakings. When assessing impairment of investments in subsidiary undertakings, management considers factors including the future profitability, their underlying net asset and historical experience.

4 Operating loss

	2016	2015
	€	€
Operating loss is stated after charging/(crediting)		
Other operating lease rental - property	24,338	22,208
Exchange (profit)/losses	(15,637)	612,516
Auditors' remuneration		
- for audit services	16,506	16,245
- for non-audit services - tax compliance services	10,665	6,123
- for non-audit services - other services	20,463	22,474

Stanley Electric Holding Europe Co., Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

5 Finance income

	2016	2015
	€	€
Other interest and similar income receivable	<u>57,630</u>	<u>122,827</u>

6 Finance costs

	2016	2015
	€	€
Interest payable on other loans	<u>6,155</u>	<u>35,178</u>

7 Directors' emoluments

	2016	2015
	€	€
Aggregate emoluments: Remuneration as executives	<u>227,262</u>	<u>213,096</u>
	<u>227,262</u>	<u>213,096</u>

Highest paid director

	2016	2015
	€	€
Aggregate emoluments	<u>206,890</u>	<u>213,096</u>

The above values do not include the emoluments of three of the directors (Mr. Kitano, Mr. Iino and Mr. Shimoda) who are remunerated directly by the ultimate parent in Japan. Some of these directors are also directors of a number of Group companies and it is not possible to estimate the value of their services as directors of the Company.

8 Employee information

The average monthly number of persons employed by the Company including executive directors during the year was as follows:

	Number of employees 2016	Number of employees 2015
Administration	<u>1</u>	<u>1</u>

Stanley Electric Holding Europe Co., Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

9 Employee costs

	2016 €	2015 €
Employee costs (including executive directors) during the year amounted to:		
Wages and salaries	232,610	197,331
Total direct costs of employment	<u>232,610</u>	<u>197,331</u>

10 Income tax

(a) Tax expense/(credit) included in the profit and loss

	2016 €	2015 €
Current tax:		
UK corporation tax on profit of the year	26,522	(120,579)
Adjustment in respect of previous years	<u>(6,298)</u>	<u>2,365</u>
Total income tax expense/(credit) (note 10 (b))	<u>20,224</u>	<u>(118,214)</u>

(b) Factors affecting tax charge/(credit) for the financial year

The tax assessed for the year is lower (2015: lower) than the standard rate of corporation tax in the UK 20% (2015: 21%). The differences are explained below:

	2016 €	2015 €
Profit on ordinary activities before taxation	<u>1,501,950</u>	<u>225,254</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 21%)	300,390	47,303
Effects of:		
Income not chargeable to corporation tax	(347,368)	(220,382)
Adjustment in respect of previous years	<u>(6,298)</u>	<u>2,365</u>
Dividend withholding tax	<u>73,500</u>	<u>52,500</u>
Income tax expense/(credit) for the year (note 10 (a))	<u>20,224</u>	<u>(118,214)</u>

(c) Tax rate changes

During the year, as a result of the changes in the UK corporation tax rate to 21% from 1 April 2014 and to 20% from 1 April 2015, which were substantially enacted on 2 July 2013, the relevant deferred tax balances have been re-measured. The Budget announced that the UK corporation tax rate will be reduced to 19% from 1 April 2017 and will be further reduced to 18% from 1 April 2020.

Further changes to the UK corporation tax rates were announced in the Chancellor's Budget on 16 March 2016. These include reduction to the main rate to 17% from 1 April 2020. As these changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements.

Stanley Electric Holding Europe Co., Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

11 Investments in subsidiaries

	Subsidiary Undertakings	Total
	€	€
Cost		
At 1 April 2015	15,807,629	15,807,629
31 March 2016	15,807,629	15,807,629

Investments in subsidiary undertakings of Stanley Electric Holding Europe Co., Limited at 31 March 2016 are as follows ;

Company	Country of incorporation	Proportion of voting rights held	Proportion of nominal value of issued shares held	Principal activity
Stanley Electric (U.K.) Company Limited	Great Britain	100%	100%	Sale of lighting products primarily automotive equipment, electronic components and applied electronic products
Stanley Electric GmbH	Germany	100%	100%	Sale of lighting products primarily automotive equipment, electronic components and applied electronic products
Stanley Electric Hungary KFT	Hungary	100%	100%	Manufacture of lightening products primary automotive equipment
Stanley Idess S.A.S	France	100%	100%	Sale of lighting products primarily electronic equipment

Investments in group undertakings are stated at cost less any impairment provision. The directors believe that the carrying value of the investments is supported by their underlying net assets.

Stanley Electric Holding Europe Co., Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

12 Trade and other receivables

	2016 €	2015 €
Amounts falling due within one year:		
Amounts owed by group undertakings	4,076,352	9,500,000
Prepayments and accrued income	6,912	277,221
	<u>4,083,264</u>	<u>9,777,221</u>

Amounts owed by group undertakings is unsecured of which €4,000,000 is a short-term loan, and the rest is other receivables. The interest rates on the short-term loan is at 0.68%. The maturity date is 25 April 2016.

13 Creditors: amounts falling due within one year

	2016 €	2015 €
Amount owed to ultimate parent company	11,170	3,194,855
Other taxation and social security	5,067	-
Accruals and deferred income	57,654	114,920
	<u>73,891</u>	<u>3,309,775</u>

14 Called up share capital

	2016 €	2015 €
Authorised		
13,610,000 (2015: 13,610,000) Ordinary €1 shares	<u>13,610,000</u>	<u>13,610,000</u>
Allotted, called up and fully paid		
13,610,000 (2015: 13,610,000) Ordinary €1 shares	<u>13,610,000</u>	<u>13,610,000</u>

Stanley Electric Holding Europe Co., Limited

Notes to the financial statements for the year ended 31 March 2016 (continued)

15 Financial commitments

At 31 March the Company had commitments under other non-cancellable operating leases as follows:

	2016 Land and buildings €	2015 Land and buildings €
Commitments under non-cancellable operating leases expiring :		
Within one year	13,182	14,125
Within two to five years	-	5,140
	<u>13,182</u>	<u>19,265</u>

16 Related party transactions

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

17 Controlling parties

Stanley Electric Co., Ltd is the ultimate parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 March 2016. The consolidated financial statements of Stanley Electric Co., Ltd. available from Stanley Electric Co., Ltd., 2-9-13 Nakameguro, Meguro-Ku, Tokyo, 153-8636, Japan.

18 Transition to FRS 101

This is the first year that the company has presented its results under FRS 101. The last financial statements under UK GAAP were for the year ended 31 March 2015. The date of transition to FRS 101 was 1 April 2014. As part of the review process no changes have been applied to the financial statements that affect the net equity or income statement brought forward prior to transition.