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financial statements unaudited

Dextra Lighting Limited

For the year ended 31 December 2012

Company registration number 06460114

Dextra Lighting Limited

Financial Statements

Year ended 31 December 2012

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Dextra Lighting Limited

Officers and Professional Advisers

The Board of Directors	R H J Martin J C Martin K J Brownhill S Allard D Ward S Lewis
Company Secretary	J C Martin
Registered Office	Brickfields Business Park Gillingham Dorset SP8 4PX
Accountants	MHA MacIntyre Hudson Chartered Accountants Peterbridge House The Lakes Northampton Northamptonshire NN4 7HB

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 31 December 2012

Principal activity and business review
The principal activity of the company during the year was the sale of industrial, commercial and retail lighting products into the wholesale lighting market place

The company lost more low margin turnover in 2012 and the directors consider this satisfactory considering the prevailing economic conditions The results for the year show pre-tax profits of £4 95m (2011 £4 94m) and sales of £36 49m (2011 £43 01m)

The main measurements of the company's performance are pre-tax profit and margins achieved 2012 was a challenging year but gross margins again increased due to the loss of low margin sales

The business is dependent on the availability of staff and the skill level of its workforce

Results and dividends
The profit for the year, after taxation, amounted to £3 73m The directors have not recommended a dividend

Financial risk management objectives and policies
Risks are formally reviewed by the senior executive team and appropriate processes put in place to monitor and mitigate them

Cash flow risk
The group arranged adequate cash flow facilities and reviews them on a regular basis

Credit risk
Credit risk is the financial exposure generated by the potential default of third parties in fulfilling their obligations Credit risk arises for the company if it is unable to recover sums due from customers and it is mitigated by rigorous credit control, including the regular review of credit limits utilising data from credit agencies and the company's own financial and market intelligence

Competition risk
This company operates in a highly competitive market particularly in the area of product quality and price This results not only in downward pressure on our margins but also in the possible risk that we will not meet our customers' expectations The Dextra ethos is based on service as the norm, not as the exception

Dextra Lighting Limited

The Directors' Report ***(continued)***

Year ended 31 December 2012

Directors
The directors who served the company during the year were as follows

R H J Martin
J C Martin
K J Brownhill
S Allard
D Ward
S Lewis

S Lewis was appointed as a director on 1 May 2012

Registered office
Brickfields Business Park
Gillingham
Dorset
SP8 4PX

Signed by order of the directors

J C Martin
Company Secretary

Approved by the directors on 29th May 2013

Dextra Lighting Limited

Profit and Loss Account

Year ended 31 December 2012

	Note	2012 £	2011 £
Turnover	1	**36,486,514**	43,007,031
Cost of sales		**25,693,130**	31,562,500
Gross profit		**10,793,384**	11,444,531
Distribution costs		**3,022,017**	3,472,595
Administrative expenses		**2,511,519**	2,634,918
Operating profit		**5,259,848**	5,337,018
Interest receivable		–	140
Interest payable and similar charges	5	**(314,469)**	(396,403)
Profit on ordinary activities before taxation		**4,945,379**	4,940,755
Tax on profit on ordinary activities	6	**1,218,706**	1,317,472
Profit on ordinary activities after taxation, being profit for the financial year		**£3,726,673**	£3,623,283

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The accounting policies and notes on pages 6 to 12 form part of these financial statements

Dextra Lighting Limited

Company Registration Number 06460114

Balance Sheet

31 December 2012

	Note	2012 £	£	2011 £
Current assets				
Debtors	8	**13,334,913**		9,415,812
Cash at bank		**1,000,342**		2,000,000
		14,335,255		11,415,812
Creditors: amounts falling due within one year	9	**5,555,960**		6,521,330
Net current assets			**8,779,295**	4,894,482
Total assets less current liabilities			**8,779,295**	4,894,482
Provisions for liabilities				
Other provisions	10		**1,756,482**	1,598,342
			£7,022,813	£3,296,140
Capital and reserves				
Called-up equity share capital	12		**100**	100
Profit and loss account	13		**7,022,713**	3,296,040
Shareholders' funds	14		**£7,022,813**	£3,296,140

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 479A, and that no member or members have requested an audit pursuant to section 476 of the Act

The directors acknowledge their responsibilities for
(i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
(ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company

These financial statements were approved by the directors and authorised for issue on 29th May 2013, and are signed on their behalf by

R H J Martin
Director

The accounting policies and notes on pages 6 to 12 form part of these financial statements.

Basis of accounting
The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Cash flow statement
The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

Turnover
The turnover shown in the profit and loss account represents amounts receivable during the year

Operating lease agreements
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs
The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year The assets of the scheme are held separately from those of the company in an independently administered fund

Provisions for liabilities and charges
The company recognises a provision when it has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle this obligation and a reasonable estimate can be made of the amount of the obligation

Provision has been made in respect of the company's obligation under the WEEE legislation as detailed in the notes to the accounts

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

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

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

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

Where the contractual obligations of the financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities Financial liabilities are presented as such in the balance sheet Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument Dividends and distributions relating to equity instruments are debited to equity

Dextra Lighting Limited

Notes to the Financial Statements

Year ended 31 December 2012

1 **Turnover**
The turnover and profit before tax are attributable to the one principal activity of the group

An analysis of turnover by destination by geographical area is as follows

	2012	2011
	£	£
United Kingdom	**36,238,168**	42,659,703
Rest of European Union	**106,482**	251,571
Rest of the World	**141,864**	95,757
Total	**£36,486,514**	£43,007,031

Turnover is wholly attributable to the principal activity of the company

The directors consider that the company has only one class of business and that the markets supplied do not differ substantially

2 **Operating profit**
Operating profit is stated after charging

	2012	2011
	£	£
Operating lease costs		
Land and buildings	**73,625**	96,792
Other	**262,255**	307,812

Audit fees are borne by the parent company, Dextra Group Plc, for which no specific recharge is made

3 **Particulars of employees**
The average number of staff employed by the company during the financial year amounted to

	2012	2011
	No	No
Number of distribution staff	**57**	71
Number of administrative staff	**4**	3
	61	74

The aggregate payroll costs of the above were

	2012	2011
	£	£
Wages and salaries	**2,365,509**	2,587,585
Social security costs	**242,804**	272,824
Other pension costs	**62,457**	70,869
	£2,670,770	£2,931,278

All staff are employed by the parent company Dextra Group Plc The above costs represent a recharge from the parent company in relation to staff working on the company's business

4 Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2012 £	2011 £
Remuneration receivable	**183,383**	111,469
Value of company pension contributions to money purchase schemes	**4,376**	4,040
	£187,759	£115,509

The number of directors who accrued benefits under company pension schemes was as follows

	2012 No	2011 No
Money purchase schemes	**2**	1

The directors' contract of service is with the parent company Dextra Group Plc The above amount represents a recharge from the parent company for the services of certain directors for work carried out on the company's business

5. Interest payable and similar charges

	2012 £	2011 £
Other similar charges payable	**314,469**	396,403

Included in the amount above is a balance of £314,469 (2011 £396,403) which represents a recharge from the parent company Dextra Group Plc

6. Taxation on ordinary activities

(a) Analysis of charge in the year

	2012 £	2011 £
Current tax		
UK Corporation tax based on the results for the year at 24 50% (2011 - 26 50%)	**1,218,613**	1,317,472
Over/under provision in prior year	**93**	-
Total current tax	**£1,218,706**	£1,317,472

6. Taxation on ordinary activities *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 24 50% (2011 - 26 50%)

	2012	2011
	£	£
Profit on ordinary activities before taxation	**4,945,379**	4,940,755
Profit on ordinary activities by rate of tax	**1,211,618**	1,309,300
Expenses not deductible for tax purposes	**7,088**	8,172
Total current tax (note 6(a))	**£1,218,706**	£1,317,472

7. Equity dividends

	2012	2011
	£	£
Equity dividends paid on ordinary shares	–	5,000,000

8 Debtors

	2012	2011
	£	£
Trade debtors	**8,231,038**	9,415,812
Amounts owed by group undertakings	**5,103,875**	–
	£13,334,913	£9,415,812

9 Creditors: amounts falling due within one year

	2012	2011
	£	£
Amounts owed to group undertakings	**687,017**	1,382,637
Corporation tax	**1,218,613**	620,357
Other taxation and social security	–	36,000
Accruals and deferred income	**3,650,330**	4,482,336
	£5,555,960	£6,521,330

10 Other provisions

	2012 £	2011 £
Other provisions:		
Balance brought forward	**1,598,342**	1,397,561
Additional provision in the year	**163,711**	200,781
Utilised during the year	**(5,571)**	-
	£1,756,482	£1,598,342

From 1 July 2007 the Waste Electrical and Electronic Equipment ("WEEE") legislation became effective in the UK Since that date the company has been making a provision for its anticipated future costs arising from this legislation, based on the number of units sold to which this legislation is applicable

11. Related party transactions

The company is a wholly owned subsidiary of Dextra Group Plc

The ultimate controlling party is R H J Martin by virtue of his majority shareholding in Dextra Group Plc

The company has taken advantage of the exemption conferred by the Financial Reporting Standard 8 not to disclose transactions with members of the group headed by Dextra Group Plc on the grounds that 100% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements

12 Share capital

Allotted, called up and fully paid·

	2012 No	£	2011 No	£
Ordinary shares of £1 each	**100**	**100**	100	100

13. Profit and loss account

	2012 £	2011 £
Balance brought forward	**3,296,040**	4,672,757
Profit for the financial year	**3,726,673**	3,623,283
Equity dividends	**-**	(5,000,000)
Balance carried forward	**£7,022,713**	£3,296,040

14 Reconciliation of movements in shareholders' funds

	2012	2011
	£	£
Profit for the financial year	**3,726,673**	3,623,283
Equity dividends	**–**	(5,000,000)
Net addition/(reduction) to shareholders' funds	**3,726,673**	(1,376,717)
Opening shareholders' funds	**3,296,140**	4,672,857
Closing shareholders' funds	**£7,022,813**	£3,296,140

15. Ultimate parent company

The ultimate parent company is Dextra Group Plc a company incorporated in the UK