

Registered number 01380089

REGISTRAR COPY

DEXTRA GROUP PLC AND ITS SUBSIDIARIES

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

Parent company accounts for
Dextra Lighting Limited
06460114 pg 29



DEXTRA GROUP PLC AND ITS SUBSIDIARIES

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DEXTRA GROUP PLC AND ITS SUBSIDIARIES

COMPANY INFORMATION

Directors	R H J Martin J C Martin K J Brownhill D L Ward
Company secretary	J C Martin
Registered number	01380089
Registered office	Brickfields Business Park Gillingham Dorset SP8 4PX
Independent auditor	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors Peterbridge House The Lakes Northampton NN4 7HB

DEXTRA GROUP PLC AND ITS SUBSIDIARIES

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

Introduction

The principal activity of the Group during the year was the manufacture, assembly and distribution of light fittings

The Company's principal activity is a holding and management company, providing finance, infrastructure, support, IT, HR, marketing, lighting design and facilities to all group companies

Business review

As expected turnover in 2015 dropped by £7.4 million to £63.2 million. The Group Board remain optimistic for future turnover levels to settle around the £60 million mark, however should the world economy pick up the Group are well placed to increase their turnover levels at short notice, if required. The Group is now more recognised in the Specification market but knows there is still more to do with consultants and specifiers to ensure the brand is recognised by all. Sales of fittings with LED light sources now account for about 95% of all luminaire turnover. The Group installed one more pick and place SMT line during the year. The Group will continue to develop bespoke LED boards in order to keep ahead of the competition. Whilst many in the industry continue to declare large losses or very poor results, the Group Board is satisfied with the profit on ordinary activities before taxation of £17 million, considering the reduction in turnover. The stagnation in the global economy seems to be continuing and the UK economy will be affected by uncertainty following the 'Brexit' result. The Group Board considers any downturn will be temporary as clients will come to realise that by delaying their investment decisions they are losing out on any power savings that can be achieved by changing their lighting to market leading LED products.

Principal risks and uncertainties

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 arranges 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 Group 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 Group's own financial and market intelligence.

Competition risk

The Group 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 GROUP PLC AND ITS SUBSIDIARIES

**GROUP STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015**

Interest rate risk

The Group's interest rate policy has the objective of minimising net interest expense

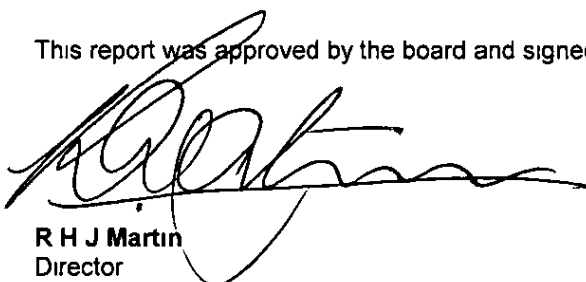
Currency risk

The group faces currency risk on currency transaction flows to suppliers. It mitigates the risk by the use of forward contracts, market orders and options for up to 12 months ahead

Material and component supplies risk

The Group recognises that it has material and component supply risks. The risk is mitigated by the utilisation of the Group's buying policy, strategic stockholding, working closely with suppliers and the avoidance of single sourcing wherever economically appropriate

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

A handwritten signature in black ink, appearing to read 'R H J Martin', is written over a horizontal line.

R H J Martin
Director

Date 15 August 2016

DEXTRA GROUP PLC AND ITS SUBSIDIARIES

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 Group 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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies for the Group financial statements and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group 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 £13,420,639 (2014 - £13,762,500)

During the year the company paid dividends of £10,000,000 (2014 - £1,000,000)

Directors

The directors who served during the year were

R H J Martin
J C Martin
K J Brownhill
D L Ward

Research and development activities

Research and development expenditure is written off in the year in which it is incurred

DEXTRA GROUP PLC AND ITS SUBSIDIARIES

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

Employee involvement

The directors recognise the importance of good communications and relations with employees and endeavour to promote harmonious working relations. Regular meetings are held between management and employees at all levels at which information about the current position of the Group and the future outlook is discussed.

Disabled employees

The Group make every endeavour to employ disabled persons where the disabilities do not handicap these persons in the performance of their duties. Where a person already in employment becomes disabled every effort is made to resettle that person in a suitable post and appropriate training is given. Registered disabled persons once employed receive equal opportunities for training, career development and promotion.

Disclosure of information to auditor

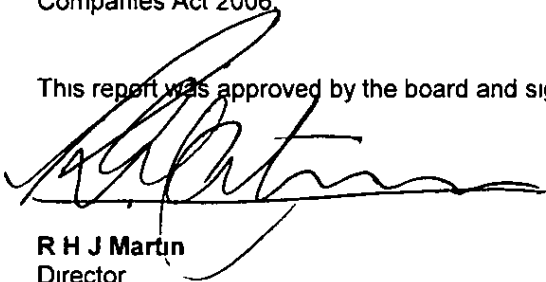
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the Company and the Group'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 and the Group's auditor is aware of that information.

Auditors

The auditor, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

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



R H J Martin
Director

Date 15 August 2016

DEXTRA GROUP PLC AND ITS SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DEXTRA GROUP PLC AND ITS SUBSIDIARIES

We have audited the financial statements of Dextra Group Plc and Its Subsidiaries for the year ended 31 December 2015, which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows, the Consolidated and Company 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 to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company 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 Group's and the parent 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 Group 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.

Opinion on financial statements

In our opinion the financial statements

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

DEXTRA GROUP PLC AND ITS SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DEXTRA GROUP PLC AND ITS SUBSIDIARIES

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Group 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent Company 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



Elaine Olson-Williams FCCA (Senior Statutory Auditor)

for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Peterbridge House
The Lakes
Northampton
NN4 7HB

Date 30 April 2016

DEXTRA GROUP PLC AND ITS SUBSIDIARIES

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £	2014 £
Turnover	4	63,243,260	70,644,483
Cost of sales		(33,933,536)	(41,737,558)
Gross profit		29,309,724	28,906,925
Distribution costs		(4,753,410)	(4,757,634)
Administrative expenses		(7,449,361)	(6,812,485)
Other operating income		32,164	23
Operating profit	5	17,139,117	17,336,829
Interest receivable and similar income	9	80,996	158,480
Interest payable and similar expenses	10	(181,974)	(14,787)
Profit before tax		17,038,139	17,480,522
Tax on profit	11	(3,617,500)	(3,718,022)
Profit for the year		13,420,639	13,762,500
Profit for the year attributable to			
Owners of the parent		13,420,639	13,762,500

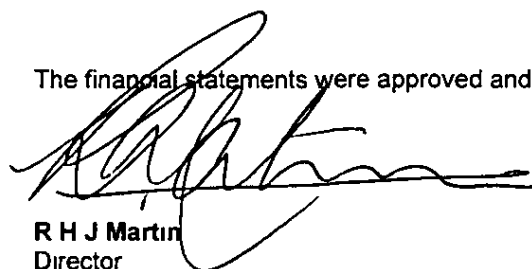
The notes on pages 14 to 29 form part of these financial statements

DEXTRA GROUP PLC AND ITS SUBSIDIARIES
REGISTERED NUMBER 01380089

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	14	13,887,381	14,253,106
		<u>13,887,381</u>	<u>14,253,106</u>
Current assets			
Stocks	16	7,189,836	4,974,721
Debtors amounts falling due within one year	17	15,357,666	12,980,090
Cash at bank and in hand	18	20,864,323	19,861,580
		<u>43,411,825</u>	<u>37,816,391</u>
Creditors amounts falling due within one year	19	(11,081,976)	(10,438,503)
Net current assets		<u>32,329,849</u>	<u>27,377,888</u>
Total assets less current liabilities		<u>46,217,230</u>	<u>41,630,994</u>
Provisions for liabilities			
Other provisions	21	(4,665,316)	(3,499,719)
		<u>(4,665,316)</u>	<u>(3,499,719)</u>
Net assets		<u>41,551,914</u>	<u>38,131,275</u>
Capital and reserves			
Called up share capital	22	50,000	50,000
Profit and loss account	23	41,501,914	38,081,275
		<u>41,551,914</u>	<u>38,131,275</u>

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


R H J Martin
 Director

Date 15 August 2016

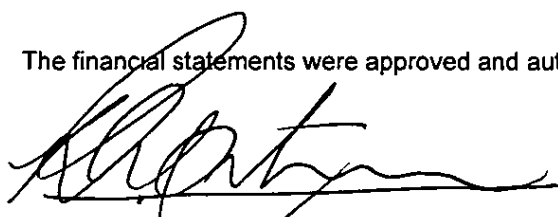
The notes on pages 14 to 29 form part of these financial statements

DEXTRA GROUP PLC AND ITS SUBSIDIARIES
REGISTERED NUMBER:01380089

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	14	12,519,469	12,712,757
Investments	15	800	800
		<u>12,520,269</u>	<u>12,713,557</u>
Current assets			
Stocks	16	7,189,836	4,974,721
Debtors amounts falling due within one year	17	5,447,288	3,062,714
Cash at bank and in hand	18	20,632,891	19,854,548
		<u>33,270,015</u>	<u>27,891,983</u>
Creditors amounts falling due within one year	19	<u>(34,747,784)</u>	<u>(31,715,015)</u>
Net current liabilities		(1,477,769)	(3,823,032)
Net assets		<u>11,042,500</u>	<u>8,890,525</u>
Capital and reserves			
Called up share capital	22	50,000	50,000
Profit and loss account	23	10,992,500	8,840,525
		<u>11,042,500</u>	<u>8,890,525</u>

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


R H J Martin
 Director

Date 15 August 2016

The notes on pages 14 to 29 form part of these financial statements

DEXTRA GROUP PLC AND ITS SUBSIDIARIES

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	50,000	38,081,275	38,131,275
Profit for the year	-	13,420,639	13,420,639
Dividends Equity capital	-	(10,000,000)	(10,000,000)
At 31 December 2015	50,000	41,501,914	41,551,914

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2014	50,000	25,318,775	25,368,775
Profit for the year	-	13,762,500	13,762,500
Dividends Equity capital	-	(1,000,000)	(1,000,000)
At 31 December 2014	50,000	38,081,275	38,131,275

The notes on pages 14 to 29 form part of these financial statements

DEXTRA GROUP PLC AND ITS SUBSIDIARIES

**COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2015**

	Share capital £	Retained earnings £	Total equity £
At 1 January 2015	50,000	8,840,525	8,890,525
Profit for the year	-	12,151,975	12,151,975
Dividends Equity capital	-	(10,000,000)	(10,000,000)
At 31 December 2015	50,000	10,992,500	11,042,500

**COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2014**

	Share capital £	Retained earnings £	Total equity £
At 1 January 2014	50,000	9,199,455	9,249,455
Profit for the year	-	641,070	641,070
Dividends Equity capital	-	(1,000,000)	(1,000,000)
At 31 December 2014	50,000	8,840,525	8,890,525

The notes on pages 14 to 29 form part of these financial statements

DEXTRA GROUP PLC AND ITS SUBSIDIARIES

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

	2015 £	2014 £
Cash flows from operating activities		
Profit for the financial year	13,420,639	13,762,500
Adjustments for		
Depreciation of tangible assets	2,773,097	2,438,055
Loss on disposal of tangible assets	(208,890)	(263,555)
Increase in stocks	(2,215,115)	(418,163)
Interest paid	181,974	14,787
Interest received	(80,996)	(158,480)
Taxation	3,617,500	3,718,022
Increase in debtors	(2,377,576)	(464,424)
Increase in creditors	133,322	731,779
Increase in provisions	1,165,597	1,364,431
Corporation tax	(3,076,548)	(3,400,115)
Net cash generated from operating activities	13,333,004	17,324,837
Cash flows from investing activities		
Purchase of tangible fixed assets	(2,952,388)	(9,127,496)
Sale of tangible fixed assets	753,906	544,485
Interest received	80,996	158,480
Net cash from investing activities	(2,117,486)	(8,424,531)
Cash flows from financing activities		
Repayment of other loans	(30,801)	(60,454)
Repayment of/new finance leases	-	(169,018)
Dividends paid	(10,000,000)	(1,000,000)
Interest paid	(181,974)	(10,446)
HP interest paid	-	(4,341)
Net cash used in financing activities	(10,212,775)	(1,244,259)
Net increase / (decrease) in cash and cash equivalents	1,002,743	7,656,047
Cash and cash equivalents at beginning of year	19,861,580	12,205,533
Cash and cash equivalents at the end of year	20,864,323	19,861,580
Cash and cash equivalents at the end of year comprise		
Cash at bank and in hand	20,864,323	19,861,580

The notes on pages 14 to 29 form part of these financial statements

DEXTRA GROUP PLC AND ITS SUBSIDIARIES

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

1. General information

Dextra Group Plc is a private company, limited by shares, domiciled in England and Wales, registration number 01380089. The registered office is Brickfields Business Park, Gillingham, Dorset, SP8 4PX.

2. Accounting policies

2.1 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 29.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of Dextra Group Plc and its own subsidiaries ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Income and Retained Earnings from the date on which control is obtained.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014.

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

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group has transferred the significant risks and rewards of ownership to the buyer,
- the Group 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 Group will receive the consideration due under the transaction,
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 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 Group 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 Group. 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.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line or reducing balance method.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Plant and machinery	- 10% to 25% straight line or reducing balance
Motor vehicles	- 25% straight line
Fixtures and fittings	- 15% to 33% straight line or reducing balance

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 Income Statement.

DEXTRA GROUP PLC AND ITS SUBSIDIARIES

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

2. Accounting policies (continued)

2.5 Operating leases Lessee

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

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

2.7 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.

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.

2.8 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.

2.9 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.

2.10 Financial instruments

The Group 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 outright 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.

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

2. Accounting policies (continued)

2.10 Financial instruments (continued)

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 Profit and Loss Account.

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.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.11 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.

2.12 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and Loss Account within 'other operating income'.

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

2 Accounting policies (continued)

2.13 Finance costs

Finance costs are charged to the Profit and Loss Account 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.

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.15 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Profit and Loss Account 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 Group in independently administered funds.

2.16 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

2.17 Borrowing costs

All borrowing costs are recognised in the Profit and Loss Account in the year in which they are incurred.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 Profit and Loss Account in the year that the Group 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.

DEXTRA GROUP PLC AND ITS SUBSIDIARIES

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

2 Accounting policies (continued)

2.19 Current and deferred taxation

Tax is recognised in the Profit and Loss Account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits,
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met, and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date

2.20 Research and development

Research and development expenditure is written off in the year in which it is incurred

3 Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Provisions are based on management's best estimates of probable future economic costs. There are no other sources of estimation uncertainty that have a significant effect on the amount recognised in the financial statements. See note 22.

DEXTRA GROUP PLC AND ITS SUBSIDIARIES

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

4. Analysis of turnover

The whole of the turnover is attributable to the principle activity of the Group

Analysis of turnover by country of destination

	2015 £	2014 £
United Kingdom	62,449,011	69,287,908
Rest of Europe	605,176	1,275,484
Rest of the world	189,073	81,091
	<u>63,243,260</u>	<u>70,644,483</u>

5. Operating profit

The operating profit is stated after charging

	2015 £	2014 £
Research & development charged as an expense	40,993	113,717
Depreciation of tangible fixed assets	2,773,097	2,438,055
(Profit) on sale of assets	(208,890)	(263,555)
Fees payable to the Group's auditors and its associates for other services to the group:		
- The audit of the Group's subsidiaries pursuant to legislation	26,000	26,000
- Taxation compliance services	12,000	12,000
- All other services	7,500	7,500
Exchange differences	103,735	(477,901)
Operating lease rentals - land and buildings	374,475	411,118
Defined contribution pension cost	508,867	311,051

6. Current year adjustment to profit

During the year certain transactions with a Director have become apparent. These findings have resulted in recognising a net income in the accounts in the year ending 31 December 2015 of £0.8m relating to Prior Periods. The total gross figure is £1.46m and taxation and interest total £0.66m. A Prior Period Adjustment has not been made on the grounds that the adjustment is not material.

DEXTRA GROUP PLC AND ITS SUBSIDIARIES

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

7. Employees

Staff costs, including directors' remuneration, were as follows

	2015 £	2014 £
Wages and salaries	14,243,393	14,655,959
Social security costs	1,422,814	1,338,201
Cost of defined contribution scheme	508,867	311,051
	<u>16,175,074</u>	<u>16,305,211</u>

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

	2015 No.	2014 No
Number of production staff	415	425
Number of distribution staff	78	75
Number of administrative staff	39	40
	<u>532</u>	<u>540</u>

8. Directors' remuneration

	2015 £	2014 £
Directors' emoluments	1,132,374	1,129,338
Company contributions to defined contribution pension schemes	41,316	32,024
	<u>1,173,690</u>	<u>1,161,362</u>

During the year retirement benefits were accruing to 3 directors (2014 - 3) in respect of defined contribution pension schemes

The highest paid director received remuneration of £359,233 (2014 - £353,379)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £19,198 (2014 - £15,766)

The directors consider that there are no other key management personnel requiring disclosure

9. Interest receivable

	2015 £	2014 £
Other interest receivable	<u>80,996</u>	<u>158,480</u>

DEXTRA GROUP PLC AND ITS SUBSIDIARIES

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

10. Interest payable and similar charges

	2015 £	2014 £
Bank interest payable	1,777	8,284
Finance leases and hire purchase contracts	-	4,341
Other interest payable	180,197	2,162
	<u>181,974</u>	<u>14,787</u>

11. Taxation

	2015 £	2014 £
Corporation tax		
Current tax on profits for the year	3,225,298	3,707,507
Adjustments in respect of previous periods	392,202	10,515
Total current tax	<u>3,617,500</u>	<u>3,718,022</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014 - lower than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%). The differences are explained below

	2015 £	2014 £
Profit on ordinary activities before tax	<u>17,038,139</u>	<u>17,480,522</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%)	3,450,223	3,758,030
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	14,639	22,212
Depreciation in excess of capital allowances for year	96,691	(10,072)
Adjustments to tax charge in respect of prior periods	392,202	10,515
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(17,456)	(41,404)
Other differences leading to an increase (decrease) in the tax charge	(318,752)	(21,046)
Marginal relief	(47)	(213)
Total tax charge for the year	<u>3,617,500</u>	<u>3,718,022</u>

DEXTRA GROUP PLC AND ITS SUBSIDIARIES

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

12. Dividends

	2015 £	2014 £
Dividends paid	<u>10,000,000</u>	<u>1,000,000</u>

13. Parent Company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and Loss Account in these financial statements. The profit after tax of the parent Company for the year was £12,151,975 (2014 - £641,070)

14. Tangible fixed assets**Group**

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 January 2015	8,172,843	13,734,175	4,958,992	1,883,269	28,749,279
Additions	149,005	1,578,934	1,099,680	124,769	2,952,388
Disposals	-	-	(1,453,242)	-	(1,453,242)
At 31 December 2015	<u>8,321,848</u>	<u>15,313,109</u>	<u>4,605,430</u>	<u>2,008,038</u>	<u>30,248,425</u>
Depreciation					
At 1 January 2015	1,237,752	9,637,068	2,478,336	1,143,017	14,496,173
Charge owned for the period	159,293	1,462,879	926,837	224,088	2,773,097
Disposals	-	-	(908,226)	-	(908,226)
At 31 December 2015	<u>1,397,045</u>	<u>11,099,947</u>	<u>2,496,947</u>	<u>1,367,105</u>	<u>16,361,044</u>
Net book value					
At 31 December 2015	<u>6,924,803</u>	<u>4,213,162</u>	<u>2,108,483</u>	<u>640,933</u>	<u>13,887,381</u>
At 31 December 2014	<u>6,935,091</u>	<u>4,097,107</u>	<u>2,480,656</u>	<u>740,252</u>	<u>14,253,106</u>

DEXTRA GROUP PLC AND ITS SUBSIDIARIES

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

14 Tangible fixed assets (continued)

Company

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 January 2015	8,172,843	13,734,175	1,483,040	1,883,269	25,273,327
Additions	149,005	1,578,934	557,930	124,769	2,410,638
Disposals	-	-	(966,766)	-	(966,766)
At 31 December 2015	<u>8,321,848</u>	<u>15,313,109</u>	<u>1,074,204</u>	<u>2,008,038</u>	<u>26,717,199</u>
Depreciation					
At 1 January 2015	1,237,752	9,637,068	542,733	1,143,017	12,560,570
Charge owned for the period	159,293	1,462,879	279,150	224,088	2,125,410
Disposals	-	-	(488,250)	-	(488,250)
At 31 December 2015	<u>1,397,045</u>	<u>11,099,947</u>	<u>333,633</u>	<u>1,367,105</u>	<u>14,197,730</u>
At 31 December 2015	<u>6,924,803</u>	<u>4,213,162</u>	<u>740,571</u>	<u>640,933</u>	<u>12,519,469</u>
At 31 December 2014	<u>6,935,091</u>	<u>4,097,107</u>	<u>940,307</u>	<u>740,252</u>	<u>12,712,757</u>

DEXTRA GROUP PLC AND ITS SUBSIDIARIES

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

15 Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company. All of the 100% owned subsidiaries have taken advantage of the exemption in S479A of the Companies Act 2006 not to be individually audited on the basis that the group financial statements are audited.

Name	Country of incorporation	Class of shares	Holding	Principal activity
Dextra Services Limited	England	Ordinary	100 %	Manufacturing
Dextra Lighting Limited	England	Ordinary	100 %	Sales ✓
Dexeco Limited	England	Ordinary	100 %	Sales
Dexreco Limited	England	Ordinary	100 %	Recycling
LEDextra Limited	England	Ordinary	100 %	Sales
Dexsor Limited	England	Ordinary	100 %	Sales
Dexretail Limited	England	Ordinary	100 %	Sales
LEDex Limited	England	Ordinary	100 %	Manufacturing

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2015	800
At 31 December 2015	800
Net book value	
At 31 December 2015	800
At 31 December 2014	800

DEXTRA GROUP PLC AND ITS SUBSIDIARIES

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

16. Stocks

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Raw materials and consumables	4,322,892	3,271,562	4,322,892	3,271,562
Finished goods and goods for resale	2,866,944	1,703,159	2,866,944	1,703,159
	<u>7,189,836</u>	<u>4,974,721</u>	<u>7,189,836</u>	<u>4,974,721</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material

Stock recognised in cost of sales during the year as an expense was £20,909,473 (2014 £27,855,049)

17. Debtors

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade debtors	13,386,660	12,616,250	-	-
Amounts owed by group undertakings	-	-	2,243,889	519,530
Other debtors	1,491,605	99,872	1,491,605	99,872
Prepayments and accrued income	479,401	263,968	479,401	263,510
Tax recoverable	-	-	1,232,393	2,179,802
	<u>15,357,666</u>	<u>12,980,090</u>	<u>5,447,288</u>	<u>3,062,714</u>

18. Cash and cash equivalents

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Cash at bank and in hand	20,864,323	19,861,580	20,632,891	19,854,548

DEXTRA GROUP PLC AND ITS SUBSIDIARIES

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

19. Creditors Amounts falling due within one year

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Other loans	-	30,801	-	30,801
Trade creditors	4,533,819	2,920,350	4,533,819	2,920,350
Amounts owed to group undertakings	-	-	28,732,208	27,065,895
Corporation tax	1,948,459	1,407,507	-	-
Taxation and social security	578,994	614,262	578,994	614,262
Other creditors	-	116,055	-	116,055
Accruals and deferred income	4,020,704	5,349,528	902,763	967,652
	<u>11,081,976</u>	<u>10,438,503</u>	<u>34,747,784</u>	<u>31,715,015</u>

20 Financial instruments

All debtors and creditors are basic financial instruments and are held at amortised cost

21. Provisions

Group

	WEEE provision £	Warranty provision £	Total £
At 1 January 2015	2,027,029	1,472,690	3,499,719
Charged to the profit or loss	126,057	1,981,038	2,107,095
Utilised in year	(78,487)	(863,011)	(941,498)
At 31 December 2015	<u>2,074,599</u>	<u>2,590,717</u>	<u>4,665,316</u>

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

The Group provides a warranty on printed circuit boards manufactured in-house. A provision has been made for potential claims under the warranty.

22 Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

DEXTRA GROUP PLC AND ITS SUBSIDIARIES

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

23. Reserves**Profit and loss account**

Includes all current and prior period retained profits and losses All amounts are distributable

24. Capital commitments

At 31 December 2015 the Group and Company had capital commitments as follows

	Group 2015 £	Company 2015 £
Contracted for but not provided in these financial statements	682,957	459,595

25. Pension commitments

The Group operates a defined contributions pension scheme The assets of the scheme are held separately from those of the Group in an independently administered fund The pension cost charge represents contributions payable by the Group to the fund and amounted to £508,867 (2014 - £311,051) There were no contributions (2014 - £Nil) payable to the fund at the balance sheet date

26 Commitments under operating leases

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

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Land and buildings				
Not later than 1 year	368,000	191,250	368,000	191,250
Later than 1 year and not later than 5 years	92,000	136,125	92,000	136,125
Total	460,000	327,375	460,000	327,375
	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Other				
Not later than 1 year	12,017	10,900	12,017	10,900
Later than 1 year and not later than 5 years	1,001	11,808	1,001	11,808
Total	13,018	22,708	13,018	22,708

DEXTRA GROUP PLC AND ITS SUBSIDIARIES

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

27. Transactions with directors

At the year end R H J Martin and J C Martin owed the company an amount of £1,489,912 which is included in other debtors (2014 £116,480 owed by the company) The maximum amount owed in the year was £1,489,912

There is no interest accruing on the loan and no set terms for repayment

28. Related party transactions

The directors consider the Group's ultimate controlling party to be R H J Martin by virtue of his majority shareholding in the company

R H J Martin and J C Martin are trustees and beneficiaries of Dextra Executive Pension Scheme Rent paid to the scheme in respect of leased property totalled £400,500 (2014 £411,118)

Dividends on beneficial shareholdings were paid during the year as follows

R H J Martin - £9,900,000 (2014 £990,000)

J C Martin - £100,000 (2014 £10,000)

The group has taken advantage of the exemptions available under FRS102 not to report transactions with wholly owned group members

29. 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

30. Contingent liabilities

The company has guaranteed the liabilities of its subsidiaries as at 31 December 2015