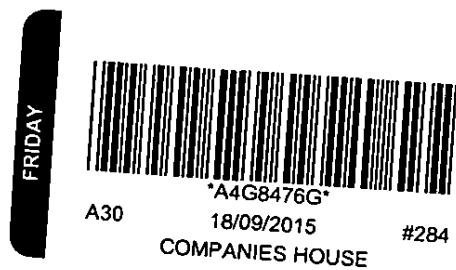


Registered number: 01380089

## **DEXTRA GROUP PLC AND ITS SUBSIDIARIES**

### **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2014**



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## DEXTRA GROUP PLC AND ITS SUBSIDIARIES

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**DEXTRA GROUP PLC AND ITS SUBSIDIARIES**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	R H J Martin J C Martin K J Brownhill D L Ward
<b>COMPANY SECRETARY</b>	J C Martin
<b>REGISTERED NUMBER</b>	01380089
<b>REGISTERED OFFICE</b>	Brickfields Business Park Gillingham Dorset SP8 4PX
<b>INDEPENDENT AUDITOR</b>	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors Peterbridge House The Lakes Northampton NN4 7HB

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## DEXTRA GROUP PLC AND ITS SUBSIDIARIES

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

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#### 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

In 2014 the Group had a massive surge in turnover of £17 million, this is expected to be a one-off event and turnover in 2015 is expected to reduce to 2013 levels. The Group Board are fully aware that 2014 was an outstanding year in terms of both turnover and profit on ordinary activities before taxation. The Group has again tried to increase its brand awareness in the Specification market and has continued the policy of not being prepared to fight over low margin sales at the bottom end of the market. The Group entered and won 3 awards, one locally in Dorset, one regionally in the South West and one nationally as manufacturer of the year. The Board dedicates these awards to its staff, customers and suppliers. LEDextra Limited rapidly changed from an online offering into another Specification led company and secured a number of prestige projects both locally within the UK and internationally. Sales of fittings with LED light sources continued to grow rapidly during 2014 and accounted for about 70% of all luminaire turnover. The Group installed three more pick and place SMT lines during the year. The Group will continue to develop bespoke LED boards in order to keep ahead of the competition as this has significantly contributed to the Group results during 2014. Whilst many in the industry continue to declare large losses or very poor results, the Group Board is extremely satisfied with the profit on ordinary activities before taxation of £17.4 million. It will be extremely difficult to replicate this result again in the next few years and the Board expects results to normalise around the 2013 figure. Q1 spending has been down year on year, we believe much of this is due to the election, due in May, hopefully spending and therefore turnover will increase once the results are known.

#### 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.

##### *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 and options for up to 12 months ahead.

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**DEXTRA GROUP PLC AND ITS SUBSIDIARIES**

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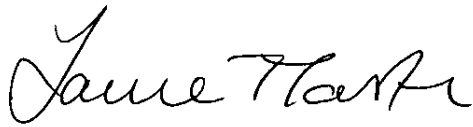
**GROUP STRATEGIC REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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*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 on 13 April 2015 and signed on its behalf



J C Martin  
Secretary

Brickfields Business Park  
Gillingham  
Dorset  
SP8 4PX

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## **DEXTRA GROUP PLC AND ITS SUBSIDIARIES**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

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The directors present their report and the financial statements for the year ended 31 December 2014

#### **DIRECTORS**

The directors who served during the year were

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

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £13,762,500 (2013 - £8,154,371)

During the year the company paid dividends of £1,000,000 (2013 - £12,000,000)

#### **RESEARCH AND DEVELOPMENT**

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

#### **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.

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## DEXTRA GROUP PLC AND ITS SUBSIDIARIES

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

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#### 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 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 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 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,
- 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.

#### 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.

#### AUDITOR

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 on 13 April 2015 and signed on its behalf



J C Martin  
Secretary

Brickfields Business Park  
Gillingham  
Dorset  
SP8 4PX

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## **DEXTRA GROUP PLC AND ITS SUBSIDIARIES**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEXTRA GROUP PLC AND ITS SUBSIDIARIES**

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We have audited the financial statements of Dextra Group Plc and Its Subsidiaries for the year ended 31 December 2014, which comprise the Group Profit and loss account, the Group and Company Balance sheets, the Group Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's shareholders, 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 shareholders 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 shareholders 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 Auditing Practices Board'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 2014 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.

#### **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.



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**DEXTRA GROUP PLC AND ITS SUBSIDIARIES**

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

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**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

  
MICHAEL BROWN FCA (Senior statutory auditor)

for and on behalf of  
**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

Peterbridge House  
The Lakes  
Northampton  
NN4 7HB

Date

13 April 2015

**DEXTRA GROUP PLC AND ITS SUBSIDIARIES**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
<b>TURNOVER</b>	1,2	<b>70,644,483</b>	<b>53,631,116</b>
Cost of sales		<u>(41,737,558)</u>	<u>(32,254,369)</u>
<b>GROSS PROFIT</b>		<b>28,906,925</b>	<b>21,376,747</b>
Distribution costs		<u>(4,757,634)</u>	<u>(4,451,228)</u>
Administrative expenses		<u>(6,812,485)</u>	<u>(6,426,563)</u>
Other operating income	3	<u>23</u>	<u>45</u>
<b>OPERATING PROFIT</b>	4	<b>17,336,829</b>	<b>10,499,001</b>
Interest receivable and similar income		<u>158,480</u>	<u>252,040</u>
Interest payable and similar charges	8	<u>(14,787)</u>	<u>(41,670)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>17,480,522</b>	<b>10,709,371</b>
Tax on profit on ordinary activities	9	<u>(3,718,022)</u>	<u>(2,555,000)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	25	<b><u>13,762,500</u></b>	<b><u>8,154,371</u></b>

All amounts relate to continuing operations

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account

The notes on pages 12 to 28 form part of these financial statements

**DEXTRA GROUP PLC AND ITS SUBSIDIARIES**  
**REGISTERED NUMBER: 01380089**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2014**

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Tangible assets	11		14,253,106		7,844,595
<b>CURRENT ASSETS</b>					
Stocks	14	4,974,721		4,556,558	
Debtors	15	12,980,090		12,515,664	
Cash at bank and in hand		19,861,580		12,205,533	
		<u>37,816,391</u>		<u>29,277,755</u>	
<b>CREDITORS: amounts falling due within one year</b>	16	<u>(10,438,503)</u>		<u>(9,586,448)</u>	
<b>NET CURRENT ASSETS</b>			27,377,888		19,691,307
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>41,630,994</u>		<u>27,535,902</u>
<b>CREDITORS: amounts falling due after more than one year</b>	17		-		(31,839)
<b>PROVISIONS FOR LIABILITIES</b>					
Other provisions	18		<u>(3,499,719)</u>		<u>(2,135,288)</u>
<b>NET ASSETS</b>			<u>38,131,275</u>		<u>25,368,775</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	24		50,000		50,000
Profit and loss account	25		<u>38,081,275</u>		<u>25,318,775</u>
<b>SHAREHOLDERS' FUNDS</b>	26		<u>38,131,275</u>		<u>25,368,775</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 April 2015.

  
R H J Martin  
Director

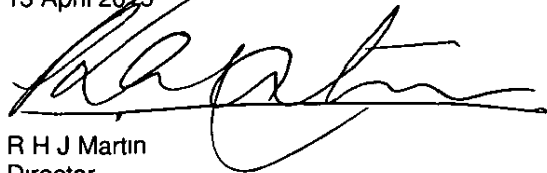
The notes on pages 12 to 28 form part of these financial statements

**DEXTRA GROUP PLC AND ITS SUBSIDIARIES**  
**REGISTERED NUMBER: 01380089**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2014**

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Tangible assets	11		12,712,757		6,563,178
Investments	12		800		800
			<u>12,713,557</u>		<u>6,563,978</u>
<b>CURRENT ASSETS</b>					
Stocks	14	4,974,721		4,556,558	
Debtors	15	3,062,714		2,333,864	
Cash at bank and in hand		19,854,548		12,203,692	
		<u>27,891,983</u>		<u>19,094,114</u>	
<b>CREDITORS:</b> amounts falling due within one year	16	(31,715,015)		(16,376,798)	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(3,823,032)</u>		<u>2,717,316</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>8,890,525</u>		<u>9,281,294</u>
<b>CREDITORS</b> amounts falling due after more than one year	17		-		(31,839)
<b>NET ASSETS</b>			<u>8,890,525</u>		<u>9,249,455</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	24		50,000		50,000
Profit and loss account	25		8,840,525		9,199,455
<b>SHAREHOLDERS' FUNDS</b>	26		<u>8,890,525</u>		<u>9,249,455</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 April 2015



R H J Martin  
Director

The notes on pages 12 to 28 form part of these financial statements

**DEXTRA GROUP PLC AND ITS SUBSIDIARIES**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	27	20,724,952	11,998,443
Returns on investments and servicing of finance	28	143,693	210,370
Taxation		(3,400,115)	(3,003,207)
Capital expenditure and financial investment	28	(8,583,011)	(1,357,554)
Equity dividends paid		(1,000,000)	(12,000,000)
<b>CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>		<b>7,885,519</b>	<b>(4,151,948)</b>
Financing	28	(229,472)	98,130
<b>INCREASE/(DECREASE) IN CASH IN THE YEAR</b>		<b>7,656,047</b>	<b>(4,053,818)</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014 £	2013 £
Increase/(Decrease) in cash in the year	7,656,047	(4,053,818)
Cash outflow from decrease in debt and lease financing	229,472	(98,130)
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>7,885,519</b>	<b>(4,151,948)</b>
Net funds at 1 January 2014	11,945,260	16,097,208
<b>NET FUNDS AT 31 DECEMBER 2014</b>	<b>19,830,779</b>	<b>11,945,260</b>

The notes on pages 12 to 28 form part of these financial statements

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## DEXTRA GROUP PLC AND ITS SUBSIDIARIES

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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#### 1 ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

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

##### 1.2 Basis of consolidation

The financial statements consolidate the accounts of Dextra Group Plc and all of its subsidiary undertakings ('subsidiaries')

These are adjusted, where appropriate, to conform to Group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the Group financial statements by virtue of section 408 of the Companies Act 2006.

##### 1.3 Turnover

Turnover comprises revenue recognised by the Group in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

##### 1.4 Research and development

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

##### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

Included within land and buildings is approximately £227,000 in respect of land which is not depreciated.

##### 1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

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## DEXTRA GROUP PLC AND ITS SUBSIDIARIES

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.7 Leasing and hire purchase

Where the Group enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding, and the capital element which reduces the outstanding obligation for future instalments.

##### 1.8 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

##### 1.9 Pensions

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

##### 1.10 Provisions for liabilities and charges

The Group 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 Group's obligation under the WEEE legislation as detailed in the notes to the accounts.

Provision has also been made for potential claims in respect of a warranty for printed circuit boards manufactured in house.

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## DEXTRA GROUP PLC AND ITS SUBSIDIARIES

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.11 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

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

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 substantially enacted at the balance sheet date

##### 1.12 Foreign currencies

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

##### 1.13 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 group 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 instruments. 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



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**DEXTRA GROUP PLC AND ITS SUBSIDIARIES**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**2. TURNOVER**

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

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
United Kingdom	<b>69,287,908</b>	<b>53,099,988</b>
Rest of European Union	<b>1,275,484</b>	<b>448,152</b>
Rest of the World	<b>81,091</b>	<b>82,976</b>
	<b><u>70,644,483</u></b>	<b><u>53,631,116</u></b>

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**DEXTRA GROUP PLC AND ITS SUBSIDIARIES**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**3. OTHER OPERATING INCOME**

	2014 £	2013 £
Other operating income	23	45

**4. OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

	2014 £	2013 £
Depreciation of tangible fixed assets		
- owned by the group	2,438,055	1,996,065
- held under finance leases	-	146,555
Difference on foreign exchange	(477,901)	(103,623)
Research and development expenditure written off	113,717	90,545
Profit on disposal of fixed assets	(263,555)	(130,585)
Operating lease rentals	410,901	488,523

**5. AUDITOR'S REMUNERATION**

	2014 £	2013 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	26,000	23,500
Fees payable to the Company's auditor and its associates in respect of		
Audit	26,000	23,500
Accountancy	7,500	6,000
Taxation	12,000	14,500

**6. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows

	2014 £	2013 £
Wages and salaries	14,655,959	12,210,639
Social security costs	1,338,201	1,108,703
Other pension costs	311,051	152,605
	16,305,211	13,471,947

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**DEXTRA GROUP PLC AND ITS SUBSIDIARIES**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**6. STAFF COSTS (continued)**

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

	<b>2014</b>	<b>2013</b>
	<b>No.</b>	<b>No</b>
Number of production staff	<b>425</b>	<b>382</b>
Number of distribution staff	<b>75</b>	<b>78</b>
Number of administrative staff	<b>40</b>	<b>38</b>
	<b>540</b>	<b>498</b>

**7 DIRECTORS' REMUNERATION**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Remuneration	<b>1,129,338</b>	<b>1,026,042</b>
Company pension contributions to defined contribution pension schemes	<b>32,024</b>	<b>29,424</b>

During the year retirement benefits were accruing to 3 directors (2013 - 2) in respect of defined contribution pension schemes

The highest paid director received remuneration of £353,282 (2013 - £430,974)

**8. INTEREST PAYABLE**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
On bank borrowings	<b>8,284</b>	<b>27,430</b>
On finance leases and hire purchase contracts	<b>4,341</b>	<b>10,052</b>
Other interest payable	<b>2,162</b>	<b>4,188</b>
	<b>14,787</b>	<b>41,670</b>

**DEXTRA GROUP PLC AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**9. TAXATION**

	2014 £	2013 £
<b>Analysis of tax charge in the year</b>		
UK corporation tax charge on profit for the year	3,707,507	2,589,600
Adjustments in respect of prior periods	10,515	(34,600)
<b>Tax on profit on ordinary activities</b>	<u>3,718,022</u>	<u>2,555,000</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2013 - *higher than*) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%). The differences are explained below

	2014 £	2013 £
Profit on ordinary activities before tax	<u>17,480,522</u>	<u>10,709,371</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	3,758,030	2,489,929
<b>Effects of:</b>		
Expenses not deductible for tax purposes	22,212	14,369
Depreciation for year in excess of capital allowances	(10,072)	157,976
Adjustments to tax charge in respect of prior periods	10,515	(34,600)
Adjustment in research and development tax credit leading to a decrease in the tax charge	(41,404)	(42,127)
Sundry tax adjusting items	(21,046)	(30,547)
Marginal relief	(213)	-
<b>Current tax charge for the year</b> (see note above)	<u>3,718,022</u>	<u>2,555,000</u>

**10. DIVIDENDS**

	2014 £	2013 £
Dividends paid on equity capital	<u>1,000,000</u>	<u>12,000,000</u>

**DEXTRA GROUP PLC AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**11. TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Freehold property £</b>	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 January 2014	4,609,975	10,642,529	4,170,987	1,550,399	20,973,890
Additions	3,562,868	3,640,278	1,591,480	332,870	9,127,496
Disposals	-	(548,632)	(803,475)	-	(1,352,107)
At 31 December 2014	<u>8,172,843</u>	<u>13,734,175</u>	<u>4,958,992</u>	<u>1,883,269</u>	<u>28,749,279</u>
<b>Depreciation</b>					
At 1 January 2014	1,123,933	8,973,162	2,115,559	916,641	13,129,295
Charge for the year	113,819	1,208,114	889,746	226,376	2,438,055
On disposals	-	(544,208)	(526,969)	-	(1,071,177)
At 31 December 2014	<u>1,237,752</u>	<u>9,637,068</u>	<u>2,478,336</u>	<u>1,143,017</u>	<u>14,496,173</u>
<b>Net book value</b>					
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>
At 31 December 2013	<u>3,486,042</u>	<u>1,669,367</u>	<u>2,055,428</u>	<u>633,758</u>	<u>7,844,595</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, is as follows

<b>Group</b>	<b>2014 £</b>	<b>2013 £</b>
Plant and machinery	-	291,146
Motor vehicles	-	231,489
	<u>-</u>	<u>522,635</u>

**DEXTRA GROUP PLC AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**11. TANGIBLE FIXED ASSETS (continued)**

<b>Company</b>	<b>Freehold property £</b>	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 January 2014	4,609,975	10,642,529	1,289,531	1,550,399	18,092,434
Additions	3,562,868	3,640,278	653,245	332,870	8,189,261
Disposals	-	(548,632)	(459,736)	-	(1,008,368)
At 31 December 2014	<u>8,172,843</u>	<u>13,734,175</u>	<u>1,483,040</u>	<u>1,883,269</u>	<u>25,273,327</u>
<b>Depreciation</b>					
At 1 January 2014	1,123,933	8,973,162	515,520	916,641	11,529,256
Charge for the year	113,819	1,208,114	317,547	226,376	1,865,856
On disposals	-	(544,208)	(290,334)	-	(834,542)
At 31 December 2014	<u>1,237,752</u>	<u>9,637,068</u>	<u>542,733</u>	<u>1,143,017</u>	<u>12,560,570</u>
<b>Net book value</b>					
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>
At 31 December 2013	<u>3,486,042</u>	<u>1,669,367</u>	<u>774,011</u>	<u>633,758</u>	<u>6,563,178</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, is as follows

<b>Company</b>	<b>2014 £</b>	<b>2013 £</b>
Plant and machinery	-	291,146
Motor vehicles	-	231,489
	<u>-</u>	<u>522,635</u>

## DEXTRA GROUP PLC AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

#### 12 FIXED ASSET INVESTMENTS

Company Cost or valuation	Investments in subsidiary companies £
At 1 January 2014 and 31 December 2014	800
<b>Net book value</b>	
At 31 December 2014	800
<i>At 31 December 2013</i>	800

Details of the principal subsidiaries can be found under note number 13

#### 13. PRINCIPAL SUBSIDIARIES

All of the 100% owned subsidiaries listed below have taken advantage of exemption S479A of the Companies Act 2006, to not be individually audited on the basis that the group financial statements are audited

Company name	Country	Percentage Shareholding	Description
Dextra Services Limited	England	100	Manufacturing
Dextra Lighting Limited	England	100	Sales
Dexeco Limited	England	100	Sales
Dexreco Limited	England	100	Recycling
LEDextra Limited	England	100	Sales
Dexsor Limited	England	100	Sales
Dexretail Limited	England	100	Sales
LEDex Limited	England	100	Manufacturing

#### 14. STOCKS

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Raw materials	3,271,562	3,128,772	3,271,562	3,128,772
Finished goods and goods for resale	1,703,159	1,427,786	1,703,159	1,427,786
	<u>4,974,721</u>	<u>4,556,558</u>	<u>4,974,721</u>	<u>4,556,558</u>

**DEXTRA GROUP PLC AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**15. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	12,616,250	11,965,285	-	-
Amounts owed by group undertakings	-	-	519,530	433,720
Corporation tax repayable	-	-	2,179,802	1,349,761
Other debtors	99,872	98,900	99,872	98,904
Prepayments and accrued income	263,968	451,479	263,510	451,479
	<b>12,980,090</b>	<b>12,515,664</b>	<b>3,062,714</b>	<b>2,333,864</b>

**16. CREDITORS:  
Amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Other loans	30,801	59,416	30,801	59,416
Net obligations under finance leases and hire purchase contracts	-	169,018	-	169,018
Trade creditors	2,920,350	2,887,852	2,920,350	2,887,852
Amounts owed to group undertakings	-	-	27,065,895	11,515,975
Corporation tax	1,407,507	1,089,600	-	-
Other taxation and social security	614,262	831,138	614,262	831,138
Directors loan accounts	116,055	320,973	116,055	320,973
Accruals and deferred income	5,349,528	4,228,451	967,652	592,426
	<b>10,438,503</b>	<b>9,586,448</b>	<b>31,715,015</b>	<b>16,376,798</b>

The hire purchase liabilities are secured on the assets to which they relate



**DEXTRA GROUP PLC AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**17. CREDITORS:**

Amounts falling due after more than one year

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Other loans	-	31,839	-	31,839

**18. PROVISIONS**

	<b>WEEE Provision £</b>	<b>Warranty Provision £</b>	<b>2014 Total £</b>	<b>2013 Total £</b>
<b>Group</b>				
At 1 January	1,956,400	178,888	2,135,288	1,815,646
Additions	161,479	1,293,802	1,455,281	351,934
Amounts used	(90,850)	-	(90,850)	(32,292)
At 31 December	<u>2,027,029</u>	<u>1,472,690</u>	<u>3,499,719</u>	<u>2,135,288</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 a provision for anticipated future costs arising from this legislation, based on the number of units sold to which this legislation is applicable.

In 2013 the Group started providing a warranty for printed circuit boards manufactured in-house. A provision has been made for potential claims under the warranty.

**19. CAPITAL COMMITMENTS**

At 31 December 2014 the Company had capital commitments as follows

	<b>2014 £</b>	<b>2013 £</b>
Contracted for but not provided in these financial statements	-	433,442

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**DEXTRA GROUP PLC AND ITS SUBSIDIARIES**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**20. OPERATING LEASE COMMITMENTS**

At 31 December 2014 the Group had annual commitments under non-cancellable operating leases as follows

	<b>Land and buildings</b>			<b>Other</b>
<b>Group</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Expiry date:</b>				
Within 1 year	<b>255,000</b>	-	<b>10,900</b>	<b>11,974</b>
Between 2 and 5 years	<b>145,500</b>	<b>486,030</b>	-	-

At 31 December 2014 the Company had annual commitments under non-cancellable operating leases as follows

	<b>Land and buildings</b>			<b>Other</b>
<b>Company</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Expiry date:</b>				
Within 1 year	<b>255,000</b>	-	<b>10,900</b>	<b>11,974</b>
Between 2 and 5 years	<b>145,500</b>	<b>486,030</b>	-	-

**21. HIRE PURCHASE COMMITMENTS**

Future commitments under hire purchase contracts payable within one year have a value of £nil (2013 £169,018)

**22. FORWARD CURRENCY CONTRACTS**

At 31 December 2014 the Group had forward currency contracts and options in existence to purchase up to 3,300,000 US Dollars at an average rate of \$1 59 £1 and up to 6,600,000 Euros at a rate of €1 29 £1, on or before 1 December 2015

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## DEXTRA GROUP PLC AND ITS SUBSIDIARIES

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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#### 23 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. The pension scheme has provided a loan to the company. At the year end the company owed the scheme £30,801 (2013 £91,255). Loan interest of £2,162 (2013 £4,188) was paid during the year. Rent paid to the scheme in respect of leased property totalled £411,118 (2013 £406,510).

At the year end the Company owed R H J Martin and J C Martin £116,055 (2013 £320,973). The maximum amount owed to the Company during the year was £Nil. The maximum amount the Company owed the directors during the year was £618,077. There is no interest accruing on the loan and no set terms for repayment.

Dividends on beneficial shareholdings were paid during the year as follows:

R H J Martin	£990,000 (2013 - £11,880,000)
J C Martin	£10,000 (2013 - £120,000)

The Group has taken advantage of the exemptions available under FRS 8 not to disclose transactions between wholly owned members of the Group.

#### 24. SHARE CAPITAL

	2014 £	2013 £
<b>Allotted, called up and fully paid</b>		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

#### 25. RESERVES

	Profit and loss account £
<b>Group</b>	
At 1 January 2014	25,318,775
Profit for the year	13,762,500
Dividends Equity capital	(1,000,000)
At 31 December 2014	<u>38,081,275</u>

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**DEXTRA GROUP PLC AND ITS SUBSIDIARIES**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**25. RESERVES (continued)**

<b>Company</b>	<b>Profit and loss account £</b>
At 1 January 2014	9,199,455
Profit for the year	641,070
Dividends Equity capital	(1,000,000)
	<hr/>
At 31 December 2014	<b>8,840,525</b>
	<hr/>

**26 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

<b>Group</b>	<b>2014 £</b>	<b>2013 £</b>
Opening shareholders' funds	25,368,775	29,214,404
Profit for the financial year	13,762,500	8,154,371
Dividends (Note 10)	(1,000,000)	(12,000,000)
	<hr/>	<hr/>
Closing shareholders' funds	<b>38,131,275</b>	<b>25,368,775</b>
	<hr/>	<hr/>

<b>Company</b>	<b>2014 £</b>	<b>2013 £</b>
Opening shareholders' funds	9,249,455	8,965,788
Profit for the financial year	641,070	12,283,667
Dividends (Note 10)	(1,000,000)	(12,000,000)
	<hr/>	<hr/>
Closing shareholders' funds	<b>8,890,525</b>	<b>9,249,455</b>
	<hr/>	<hr/>

The Company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account

The profit for the year dealt with in the accounts of the Company was £641,070 (2013 - £12,283,667)

**DEXTRA GROUP PLC AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**27. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2014 £	2013 £
Operating profit	17,336,829	10,499,001
Depreciation of tangible fixed assets	2,438,055	2,142,620
Profit on disposal of tangible fixed assets	(263,555)	(130,585)
Increase in stocks	(418,163)	(458,226)
(Increase)/decrease in debtors	(464,424)	1,007,415
Increase/(decrease) in creditors	731,779	(1,381,424)
Increase in provisions	1,364,431	319,642
<b>Net cash inflow from operating activities</b>	<b>20,724,952</b>	<b>11,998,443</b>

**28. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2014 £	2013 £
<b>Returns on investments and servicing of finance</b>		
Interest received	158,480	252,040
Interest paid	(10,446)	(31,618)
Hire purchase interest	(4,341)	(10,052)
<b>Net cash inflow from returns on investments and servicing of finance</b>	<b>143,693</b>	<b>210,370</b>
	2014 £	2013 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(9,127,496)	(2,111,834)
Sale of tangible fixed assets	544,485	754,280
<b>Net cash outflow from capital expenditure</b>	<b>(8,583,011)</b>	<b>(1,357,554)</b>
	2014 £	2013 £
<b>Financing</b>		
Repayment of other loans	(60,454)	(70,888)
Repayment of finance leases	(169,018)	(330,982)
New finance leases	-	500,000
<b>Net cash (outflow)/inflow from financing</b>	<b>(229,472)</b>	<b>98,130</b>

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DEXTRA GROUP PLC AND ITS SUBSIDIARIES

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

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29 ANALYSIS OF CHANGES IN NET FUNDS

	1 January 2014 £	Cash flow £	31 December 2014 £
Cash at bank and in hand	12,205,533	7,656,047	19,861,580
<b>Debt:</b>			
Debts due within one year	(59,416)	28,615	(30,801)
Hire purchase agreements	(169,018)	169,018	-
Debts falling due after more than one year	(31,839)	31,839	-
<b>Net funds</b>	<b>11,945,260</b>	<b>7,885,519</b>	<b>19,830,779</b>

30. CONTINGENT LIABILITIES

The company has guaranteed the liabilities of its subsidiaries as at 31 December 2014