

Registered number: 01380089

Dextra Lighting Ltd
646014

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

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DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

COMPANY INFORMATION

Directors	R H J Martin J C Martin (resigned 11 September 2019) K J Brownhill D L Ward M Leigh (appointed 13 September 2019)
Company secretary	R H J 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 SUBSIDIARY UNDERTAKINGS

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

The directors present their strategic report for the Group for the year ended 31 December 2019.

Strategy and business model

Dextra Group Plc is a manufacturer and distributor of lighting products. These are mostly for the industrial sectors encompassing; health, education, commercial offices, retail outlets, warehousing and distribution sectors.

Business review

In 2019 turnover increased by £11.8m to £68.1m, which was encouraging. The Board remain optimistic for future turnover levels to settle around the £60 million level, which would keep the Group profitable; however there is still a lot of uncertainty surrounding the COVID pandemic and Brexit effects. The Group continues to develop bespoke products in order to keep ahead of the competition and wins a significant amount of projects where bespoke fittings are required. Whilst many in the industry continue to declare losses or poor results, the Group Board is satisfied with the profit on ordinary activities before taxation of £21.1m and remain optimistic about 2020. The net assets position continues to increase and stood at £34.5m on 31 December 2019.

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, market orders and options for up to 12 months ahead. The Group purchases currencies in advance of requirements to try to mitigate currency risk as much as possible.

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.

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Financial key performance indicators

The directors use a number of key performance indicators to monitor business performance. The principal measures are:

	2019 £'000	2018 £'000
Revenues	68,118	56,306
% increase/(decrease) from prior year	21.0%	(17.2%)
Gross margin	32,069	24,351
As % of net revenue	47.1%	43.2%
Stocks	5,702	6,443
Trade receivables from third parties	9,587	9,985
Trade payables owed to third parties	(2,635)	(3,025)
Working capital	12,654	13,404
As % of net revenue	18.6%	23.8%

Other key performance indicators

The directors also measure the productivity of staff to monitor business performance:

	2019 £'000	2018 £'000
Production staff	385 staff	383 staff
Revenue per production staff	177	147

Revenue per production staff has increased in 2019 as the Group turnover increased.

The directors do not consider that there are any other appropriate non-financial KPI's relevant to the understanding of the business.

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Directors' statement of compliance with duty to promote the success of the Group

This is the first year that Dextra Group plc has been required to publish a Section 172(1) statement.

This statement explains how the Dextra Group directors:

- Have engaged with employees, suppliers, customers and others; and
- Have regard to the employee interests, the need to foster the Group's business relationships with suppliers, customers and others, and the effect of that regards, including on the principal decisions taken by the Group during the financial year.

This statement focuses on matters of strategic importance to Dextra Group, and the level of information disclosed is consistent with the size and complexity of the business.

When making decisions, each director ensures that he/she acts in the way he/she considers, in good faith would most likely promote the Group's success for the benefit of the members as a whole, and in doing have regard (among other matters) to:

S172(1) (A) "The likely consequences of any decision in the long term"

The directors understand the business and the evolving environment in which we operate. The strategy set by the Board is intended to strengthen our position as leading, energy efficient, lighting manufacturer while keeping safety and social responsibility fundamental to our business approach.

S172(1) (B) "The interests of the Group's employees"

The directors recognise that our employees are fundamental and core to our business delivery of our ambitions. The success of our business depends on attracting, retaining and motivating employees. From ensuring that we remain a responsible employer, from pay and benefits to our health, safety and workplace environment, the directors factor the implication of decisions on employees and the wider workforce, where relevant and feasible.

S172(1) (C) "The need to foster the Group's business relationships with suppliers, customers and others"

Delivering our strategy requires strong mutually beneficial relationships with suppliers and customers. We continually assess the priorities related to customers and those with whom we do business.

S172(1) (D) "The impact of the Group's operations on the community and the environment"

We have achieved ISO 14001:2015 Environment Management System to continually strive for the minimum environmental impact and installed solar panels during 2019 on three of our buildings.

S172(1) (E) "The desirability of the Group maintaining a reputation for high standards of business conduct"

We aim to meet the growing need for more energy efficient lighting products in ways which are economically, environmentally and socially responsible. We review our Modern Slavery statement each year to ensure its high standards are maintained.

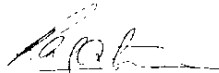
S172(1) (F) "The need to act fairly between members of the Company"

After weighing up all relevant factors, the directors consider which course of action best enables the delivery of our strategy through the long-term, taking into account the impact on stakeholders.

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

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



R H J Martin
Director

Date: 24 September 2020

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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's 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;
- 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 to 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 £17,112,023 (2018 - £11,546,982).

During the year the Company paid dividends of £13,100,000 (2018 - £Nil).

Directors

The directors who served during the year were:

R H J Martin
J C Martin (resigned 11 September 2019)
K J Brownhill
D L Ward
M Leigh (appointed 13 September 2019)

Future developments

The directors' expectations for the forthcoming year are set out in the business review in the Group Strategic Report.

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Research and development activities

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

Engagement with employees

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.

Matters covered in the strategic report

The directors consider the engagement with suppliers, customers and others to be of strategic importance and have disclosed this information in the Strategic Report in accordance with S414C of the Companies Act.

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

Post balance sheet events

On 31st December 2019 we don't believe anyone had any idea how the whole world would be affected by COVID-19. Dextra Group continued to trade throughout the pandemic, including supplying to Nightingale Hospitals, the NHS and the food industry. Whilst at the peak of shutdown only 44% of staff were working, with 56% furloughed, the Group has remained profitable every month of 2020. Staff started returning from late April and just a few members of staff remain furloughed.

Auditor

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

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

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



R H J Martin
Director

Date: 24 September 2020

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

Opinion

We have audited the financial statements of Dextra Group Plc and its subsidiary undertakings (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2019, which comprise the Group Statement of Income and Retained Earnings, the Group and Company Balance Sheets, the Group Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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 Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

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

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

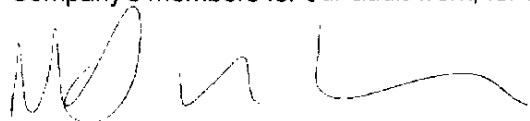
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.



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: 28/09/20

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Turnover	4	68,118,440	56,305,567
Cost of sales		(36,049,891)	(31,954,131)
Gross profit		32,068,549	24,351,436
Distribution costs		(3,955,192)	(3,857,727)
Administrative expenses		(7,224,685)	(6,260,010)
Other operating income		28,768	28,675
Operating profit	5	20,917,440	14,262,374
Interest receivable and similar income	8	212,019	194,534
Interest payable and expenses	9	-	(1,912)
Profit before tax		21,129,459	14,454,996
Tax on profit	10	(4,017,436)	(2,908,014)
Profit after tax		17,112,023	11,546,982
Retained earnings at the beginning of the year		30,458,653	18,911,671
Profit for the year attributable to the owners of the parent		17,112,023	11,546,982
Dividends declared and paid	11	(13,100,000)	-
Retained earnings at the end of the year		34,470,676	30,458,653

The notes on pages 16 to 33 form part of these financial statements.

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS
REGISTERED NUMBER: 01380089

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	9,608,858	10,696,072
Current assets			
Stocks	14	5,702,461	6,443,091
Debtors	15	10,475,184	10,511,930
Cash at bank and in hand	16	26,240,726	26,953,784
		<u>42,418,371</u>	<u>43,908,805</u>
Creditors: amounts falling due within one year	17	(9,581,467)	(15,375,474)
Net current assets		<u>32,836,904</u>	<u>28,533,331</u>
Total assets less current liabilities		<u>42,445,762</u>	<u>39,229,403</u>
Provisions for liabilities			
Other provisions	18	(7,925,086)	(8,720,750)
		<u>(7,925,086)</u>	<u>(8,720,750)</u>
Net assets		<u><u>34,520,676</u></u>	<u><u>30,508,653</u></u>
Capital and reserves			
Called up share capital	19	50,000	50,000
Profit and loss account	20	34,470,676	30,458,653
		<u><u>34,520,676</u></u>	<u><u>30,508,653</u></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: 24 September 2020

The notes on pages 16 to 33 form part of these financial statements.

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS
REGISTERED NUMBER: 01380089

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	8,445,015	9,404,185
Investments	13	900	900
		<u>8,445,915</u>	<u>9,405,085</u>
Current assets			
Stocks	14	5,702,461	6,443,091
Debtors	15	29,026,301	6,018,617
Cash at bank and in hand	16	24,900,679	25,922,454
		<u>59,629,441</u>	<u>38,384,162</u>
Creditors: amounts falling due within one year	17	(67,461,148)	(45,158,212)
Net current liabilities		<u>(7,831,707)</u>	<u>(6,774,050)</u>
Net assets		<u><u>614,208</u></u>	<u><u>2,631,035</u></u>
Capital and reserves			
Called up share capital	19	50,000	50,000
Profit and loss account brought forward		2,581,035	869,060
Profit for the year		11,083,173	1,711,975
Dividends declared and paid		(13,100,000)	-
		<u>564,208</u>	<u>2,581,035</u>
Profit and loss account carried forward		<u><u>614,208</u></u>	<u><u>2,631,035</u></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: 24 September 2020

The notes on pages 16 to 33 form part of these financial statements.

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	17,112,023	11,546,982
Adjustments for:		
Depreciation of tangible assets	2,287,866	2,963,939
Profit on disposal of tangible assets	(138,997)	(106,107)
Interest paid	-	1,912
Interest received	(212,019)	(194,534)
Taxation charge	4,017,436	2,908,014
Decrease in stocks	740,630	128,850
Decrease/(increase) in debtors	36,746	(579,782)
Decrease in creditors	(6,911,518)	(5,164,718)
(Decrease)/increase in provisions	(795,664)	66,342
Corporation tax (paid)	(2,899,925)	(3,834,293)
Net cash generated from operating activities	13,236,578	7,736,605
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,309,505)	(1,419,901)
Sale of tangible fixed assets	247,850	268,293
Interest received	212,019	194,534
Net cash from investing activities	(849,636)	(957,074)
Cash flows from financing activities		
Dividends paid	(13,100,000)	-
Interest paid	-	(1,912)
Net cash used in financing activities	(13,100,000)	(1,912)
Net (decrease)/increase in cash and cash equivalents	(713,058)	6,777,619
Cash and cash equivalents at beginning of year	26,953,784	20,176,165
Cash and cash equivalents at the end of year	26,240,726	26,953,784
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	26,240,726	26,953,784

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Dextra Group Plc is an unlisted public company, limited by shares, registered in England and Wales, registration number 01380089. The registered office and principal place of business 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 unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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 Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Income and Retained Earnings in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form 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.

2.3 Going concern

The financial statements have been prepared using the going concern basis.

As the Group continued to trade profitably throughout the pandemic, whilst 2020 results are expected to be lower than previous years, the Group remains in a very strong position when compared to many of its peers.

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.4 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; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 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 Consolidated Statement of Income and Retained Earnings 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 Consolidated Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Income and Retained Earnings within 'other operating income'.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Income and Retained Earnings on a straight line basis over the lease term.

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.7 Interest income

Interest income is recognised in the Consolidated Statement of Income and Retained Earnings using the effective interest method.

2.8 Finance costs

Finance costs are charged to the Consolidated Statement of Income and Retained Earnings 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.

2.9 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 payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Income and Retained Earnings 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.

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.10 Taxation

Tax is recognised in the Consolidated Statement of Income and Retained Earnings, except that a charge 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.

2.11 Research and development

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

2.12 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.

At each reporting date the Group and Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.12 Tangible fixed assets (continued)

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 both straight line and reducing balance methods.

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 in the Consolidated Statement of Income and Retained Earnings.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 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 against profit.

2.15 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.

2.16 Cash and cash equivalents

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

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

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.17 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.

2.18 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 Consolidated Statement of Income and Retained Earnings 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.

2.19 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, 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 the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Consolidated Statement of Income and Retained Earnings if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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 Consolidated Statement of Income and Retained Earnings.

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.19 Financial instruments (continued)

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.

2.20 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.

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

In the application of the Group's accounting policies, which are described in note 2, management is required to make judgments, 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 18.

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

4. Turnover

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

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	66,163,283	53,512,382
Rest of Europe	1,844,021	2,698,966
Rest of the world	111,136	94,219
	<u>68,118,440</u>	<u>56,305,567</u>

5. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Research and development charge as an expense	19,761	9,496
Profit on sale of assets	(138,997)	(106,107)
Depreciation of tangible fixed assets	2,287,866	2,963,939
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	29,000	28,350
- Taxation compliance services	27,800	23,023
- All other services	8,500	8,250
Exchange (gain)/loss	65,855	(200,480)
Operating lease rentals	<u>383,000</u>	<u>383,000</u>

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

6. Employees

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

	Group 2019 £	Group 2018 £
Wages and salaries	16,186,568	13,835,656
Social security costs	1,562,644	1,298,642
Cost of defined contribution scheme	731,019	744,092
	<u>18,480,231</u>	<u>15,878,390</u>

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

	Group 2019 No.	Group 2018 No.	Company 2019 No.	Company 2018 No.
Production staff	385	383	-	-
Distribution staff	66	72	16	17
Administrative staff	40	35	28	22
	<u>491</u>	<u>490</u>	<u>44</u>	<u>39</u>

7. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	1,560,849	1,249,647
Company contributions to defined contribution pension schemes	40,600	40,600
	<u>1,601,449</u>	<u>1,290,247</u>

During the year retirement benefits were accruing to 2 directors (2018 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £788,436 (2018 - £689,177).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2018 - £Nil).

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

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. Interest receivable

	2019 £	2018 £
Other interest receivable	<u>212,019</u>	<u>194,534</u>

9. Interest payable and similar expenses

	2019 £	2018 £
Other interest payable	<u>-</u>	<u>1,912</u>

10. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	4,032,641	2,909,833
Adjustments in respect of previous periods	(15,205)	(1,819)
Total current tax	<u>4,017,436</u>	<u>2,908,014</u>

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>21,129,459</u>	<u>14,454,996</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	4,014,597	2,746,449
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	7,889	9,003
Depreciation in excess of capital allowances for the year	10,149	154,147
Adjustments to tax charge in respect of prior periods	(15,205)	(1,819)
Other differences leading to an increase (decrease) in the tax charge	6	234
Total tax charge for the year	<u><u>4,017,436</u></u>	<u><u>2,908,014</u></u>

11. Dividends

	2019 £	2018 £
Dividends paid	<u><u>13,100,000</u></u>	<u><u>-</u></u>

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 January 2019	8,752,495	17,017,822	4,795,390	2,601,762	33,167,469
Additions	-	472,206	761,576	75,723	1,309,505
Disposals	-	(27,400)	(791,110)	-	(818,510)
At 31 December 2019	<u>8,752,495</u>	<u>17,462,628</u>	<u>4,765,856</u>	<u>2,677,485</u>	<u>33,658,464</u>
Depreciation					
At 1 January 2019	1,905,202	15,593,302	2,923,307	2,049,586	22,471,397
Charge for the year on owned assets	170,505	1,101,574	825,267	194,311	2,291,657
Disposals	-	(27,400)	(686,048)	-	(713,448)
At 31 December 2019	<u>2,075,707</u>	<u>16,667,476</u>	<u>3,062,526</u>	<u>2,243,897</u>	<u>24,049,606</u>
Net book value					
At 31 December 2019	<u>6,676,788</u>	<u>795,152</u>	<u>1,703,330</u>	<u>433,588</u>	<u>9,608,858</u>
At 31 December 2018	<u>6,847,293</u>	<u>1,424,520</u>	<u>1,872,083</u>	<u>552,176</u>	<u>10,696,072</u>

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Tangible fixed assets (continued)

Company

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 January 2019	8,752,495	17,017,822	981,149	2,601,762	29,353,228
Additions	-	472,206	293,712	75,723	841,641
Disposals	-	(27,400)	(347,998)	-	(375,398)
At 31 December 2019	<u>8,752,495</u>	<u>17,462,628</u>	<u>926,863</u>	<u>2,677,485</u>	<u>29,819,471</u>
Depreciation					
At 1 January 2019	1,905,202	15,593,302	400,953	2,049,586	19,949,043
Charge for the year on owned assets	170,505	1,101,574	228,838	194,311	1,695,228
Disposals	-	(27,400)	(242,415)	-	(269,815)
At 31 December 2019	<u>2,075,707</u>	<u>16,667,476</u>	<u>387,376</u>	<u>2,243,897</u>	<u>21,374,456</u>
Net book value					
At 31 December 2019	<u>6,676,788</u>	<u>795,152</u>	<u>539,487</u>	<u>433,588</u>	<u>8,445,015</u>
At 31 December 2018	<u>6,847,293</u>	<u>1,424,520</u>	<u>580,196</u>	<u>552,176</u>	<u>9,404,185</u>

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost	
At 1 January 2019	900
At 31 December 2019	900

Subsidiary undertakings

The following were subsidiary undertakings of the Company. All of the active 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	Principal activity	Class of shares	Holding
Dextra Services Limited	Manufacturing	Ordinary	100%
Dextra Lighting Limited	Sales	Ordinary	100%
Dexeco Limited	Sales	Ordinary	100%
Dexreco Limited	Recycling	Ordinary	100%
LEDextra Limited	Sales	Ordinary	100%
Dexsor Limited	Sales	Ordinary	100%
Dexretail Limited	Sales	Ordinary	100%
LEDex Limited	Manufacturing	Ordinary	100%
Innovate to Illuminate Limited	Dormant	Ordinary	100%

The subsidiary undertakings are all registered at the same address as the Company.

14. Stocks

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Raw materials and consumables	3,613,588	4,379,493	3,613,588	4,379,493
Finished goods and goods for resale	2,088,873	2,063,598	2,088,873	2,063,598
	5,702,461	6,443,091	5,702,461	6,443,091

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

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

15. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	9,587,022	9,985,169	-	-
Amounts owed by group undertakings	-	-	25,712,925	3,312,939
Other debtors	1,970	1,970	1,970	1,970
Prepayments and accrued income	886,192	524,791	886,192	524,778
Tax recoverable	-	-	2,425,214	2,178,930
	10,475,184	10,511,930	29,026,301	6,018,617

16. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	26,240,726	26,953,784	24,900,679	25,922,454

17. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade creditors	2,635,136	3,024,700	2,635,136	3,024,700
Amounts owed to group undertakings	-	-	61,947,333	31,649,142
Corporation tax	1,313,085	195,574	-	-
Other taxation and social security	1,007,468	548,738	1,007,468	548,738
Other creditors	758,071	9,293,161	758,071	9,293,161
Accruals and deferred income	3,867,707	2,313,301	1,113,140	642,471
	9,581,467	15,375,474	67,461,148	45,158,212

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

18. Provisions

Group

	WEEE provision £	Warranty provision £	Total £
At 1 January 2019	2,750,399	5,970,351	8,720,750
Charged to profit or loss	273,759	2,192,463	2,466,222
Utilised in year	(99,072)	(3,162,814)	(3,261,886)
At 31 December 2019	2,925,086	5,000,000	7,925,086

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.

19. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
50,000 (2018 - 50,000) Ordinary shares of £1.00 each	50,000	50,000

20. Reserves

Profit and loss account

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

21. Capital commitments

At 31 December 2019 the Group and Company had capital commitments as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Contracted for but not provided in these financial statements	159,000	-	159,000	-

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

22. 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 £731,019 (2018 - £744,092). There were contributions of £29,417 (2018 - £Nil) payable to the fund at the balance sheet date, included in other creditors.

23. Commitments under operating leases

At 31 December 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Not later than 1 year	386,500	386,500	386,500	386,500
Later than 1 year and not later than 5 years	1,546,000	1,546,000	1,546,000	1,546,000
Later than 5 years	869,625	1,256,125	869,625	1,256,125
	<u>2,802,125</u>	<u>3,188,625</u>	<u>2,802,125</u>	<u>3,188,625</u>

DEXTRA GROUP PLC AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

24. 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.

Certain directors are trustees and beneficiaries of a pension scheme. Rent paid to this scheme during the year in respect of leased property totalled £386,500 (2018 - £386,500).

Dividends on beneficial shareholdings of £13,100,000 (2018 - £Nil) were paid to directors during the year.

As at 31 December 2019 £758,071 (2018 - £9,293,161) was owed to a director. No interest was due on this balance and amounts are repayable on demand.

The Group has taken advantage of the provisions of FRS102 and does not report transactions with wholly owned group members.

25. Contingent liabilities

The Company has guaranteed the liabilities of its subsidiaries as at 31 December 2019.