

Portland Lighting Limited
Annual report and financial statements
for the year ended 30 June 2015

Registered number: 2826511



Portland Lighting Limited

Annual report and financial statements for the year ended 30 June 2015

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Portland Lighting Limited

Directors' report for the year ended 30 June 2015

The directors present their annual report and the audited financial statements of the company for the year ended 30 June 2015.

Principal activities

The company's principal activity during the year was the manufacture, distribution and sale of specialist lighting equipment.

Review of business and future developments

The level of business and the financial position at 30 June 2015 were satisfactory and the directors expect this to continue into the coming year. The 2014 financial statements have been restated due to the first time adoption of FRS101, further details of this restatement are shown in note 20 on pages 22-25.

The most significant uncertainties for the business arise from fluctuations in the macro-economic cycle and the competitive market. In particular, the company's revenue and profit could be affected by spending reductions, inflationary pressures and exchange rate risks for purchases of materials and trade debtors. Wherever possible the company seeks to minimise these risks by diversification and risk management strategies. Competition within the market is strong with evolving technologies, products and pricing. The company seeks to minimise these risks by offering innovative solutions and working closely with customers to satisfy their requirements. Prices are reviewed regularly, particularly where there is an element of the products made that relies on components priced in foreign currencies.

The key performance indicators for the business are turnover and operating profit. Turnover decreased by 2% (2014: 28% increase) and operating profit decreased by 5% (2014: 44% increase). The directors monitor non-financial areas of the business relating to energy saving and environmental responsibility, market and product development, customer service and support on a regular basis. Objectives are set including financial and non-financial targets and these are monitored by the board.

The company has financial risks and seeks to minimise and manage these by incorporating controls into key functions as part of the normal business operation.

Management reviews prices at least annually to take into account fluctuations in costs in order to minimise the risk of reduction in gross margin, or loss of market share from lack of competitiveness.

Financial risk management

The company's operations expose it to a variety of financial risks that include credit risk and liquidity risk. The company has in place a risk management programme that seeks to limit adverse effects on its financial performance. The policies set by the directors are implemented by the company's management team.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed at least annually by the management of the company. Management reviews the debt profile regularly to minimise the impact of bad debt exposure and the risk of slow-payment by customers. The company has underwritten a significant part of its customer debt with a credit insurance policy, which is managed in accordance with Group control procedures.

The company's cash resources are managed centrally by the parent company in accordance with their treasury policy apart from a small amount of physical cash and foreign currency which is held securely and is subject to agreed internal control procedures. The parent company, F W Thorpe Plc, manages the risks associated with cash and deposits.

Portland Lighting Limited

Directors' report for the year ended 30 June 2015 (continued)

Liquidity risk

The company actively maintains its liquidity risk using operating cash flows, cash equivalents and a mixture of short and long term inter-company debt that is designed to ensure the company has sufficient available funds for its operations. The company also has access to intergroup borrowings if necessary to fund any one off liquidity requirements.

Results and dividends

The profit for the financial year amounted to £676,000 (2014 (restated): £982,000), and was transferred directly to reserves. The dividend paid during the year was £750,000 (2014: £500,000). The directors recommend the payment of a dividend of £750,000 (2014: £750,000) for the year.

Directors

The directors who held office during the year and up to the date of signing the financial statements were:

D J Harrison
C Muncaster
D Taylor
A R Truelove

Development activities

The company is committed to development activities in order to maintain its market share in the industrial and commercial lighting market. These activities encompass constant development of both new and existing products to ensure that a leading position in the lighting market is maintained.

Statement of directors' responsibilities

The directors are responsible for preparing 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

Portland Lighting Limited

Directors' report for the year ended 30 June 2015 (continued)

Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The parent Company, FW Thorpe Plc also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

Statement of disclosure of information to the auditors

The directors confirm that:

- a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- b) the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Auditors

The Company has chosen not to hold annual general meetings. Subject to the receipt of any objections as provided under statute or the Company's Articles of Association, the Company is relying on the provisions as provided in section 487 of the Companies Act 2006 for the deemed reappointment of PricewaterhouseCoopers LLP as auditors.

Going concern

The directors confirm that they are satisfied the company has adequate resources to continue in business for the foreseeable future. For these reasons, the directors continue to adopt the going concern basis in preparing these accounts.

Small company exemption

The directors' report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. The Company has also taken advantage of the exemption available to it not to prepare a strategic report.

On behalf of the Board



C Muncaster
Director

1st January 2016

Independent auditors' report to the members of Portland Lighting Limited

Report on the financial statements

Our opinion

In our opinion, Portland Lighting Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 June 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual report and financial statements (the "Annual Report"), comprise:

- the balance sheet as at 30 June 2015;
- the income statement and statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Portland Lighting Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

What an audit of financial statements involves

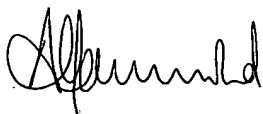
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

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

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

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Andrew Hammond (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Birmingham

7 January 2016

Portland Lighting Limited

Income statement for the year ended 30 June 2015

		2015	2014 (restated)
Continuing operations	Note	£'000	£'000
Revenue	2	3,377	3,437
Cost of sales		(1,827)	(1,856)
Gross profit		1,550	1,581
Distribution costs		(178)	(175)
Administrative expenses		(350)	(330)
Operating profit		1,022	1,076
Finance income	4	4	3
Profit before income tax	2	1,026	1,079
Income tax expense	5	(350)	(97)
Profit for the financial year		676	982

All income derives from continuing operations.

Portland Lighting Limited

Statement of comprehensive income for the year ended 30 June 2015

	2015	2014 (restated)
	£'000	£'000
Profit for the financial year	676	982
Other comprehensive income		
Items that may be reclassified to profit or loss		
Deferred taxation	-	3
Total comprehensive income	676	985

All comprehensive income is attributable to the owners of the company, and derives from continuing operations.

Portland Lighting Limited

Balance sheet as at 30 June 2015

		2015	2014	2013
			(restated)	(restated)
	Note	£'000	£'000	£'000
Non-current assets				
Property, plant and equipment	6	27	39	44
Intangible assets	7	80	89	81
Deferred tax asset	12	3	3	5
Total non-current assets		110	131	130
Current assets				
Inventories	8	165	157	139
Trade and other receivables	9	2,074	2,098	1,404
Cash and cash equivalents		7	1	-
Total current assets		2,246	2,256	1,543
Total current liabilities	10	(642)	(597)	(367)
Net current assets		1,604	1,659	1,176
Total assets less current liabilities		1,714	1,790	1,306
Total non-current liabilities	11	(16)	(18)	(19)
Net assets		1,698	1,772	1,287
Equity				
Share capital	13	-	-	-
Capital redemption reserve	14	-	-	-
Retained earnings		1,698	1,772	1,287
Total equity		1,698	1,772	1,287

The financial statements on pages 6 to 25 were approved by the Board of Directors on the below date and were signed on its behalf by:



C Muncaster
Director

17 January 2016

Registered number 2826511

Portland Lighting Limited

Statement of changes in equity for the year ended 30 June 2015

	Share capital	Capital redemption reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000
Balance at 1 July 2013 (restated)	-	-	1,287	1,287
Profit for the year to 30 June 2014 (restated)	-	-	982	982
Deferred tax arising from rate change (restated)	-	-	3	3
Total comprehensive income (restated)	-	-	985	985
Transactions with owners				
Dividends paid to shareholders (restated)	-	-	(500)	(500)
Balance at 30 June 2014 (restated)	-	-	1,772	1,772
Balance at 1 July 2014 (restated)	-	-	1,772	1,772
Profit for the year to 30 June 2015	-	-	676	676
Total comprehensive income	-	-	676	676
Transactions with owners				
Dividends paid to shareholders	-	-	(750)	(750)
Balance at 30 June 2015	-	-	1,698	1,698

Portland Lighting Limited

Notes to the financial statements for the year ended 30 June 2015

1 Summary of significant accounting policies

The principal accounting policies, which have been applied, are set out below.

General information

Portland Lighting Limited (the Company) is a private limited company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The Company's registered address is Merse Road, North Moons Moat, Redditch, Worcestershire, B98 9HH.

Basis of preparation

The company has elected to adopt early the new accounting framework issued by the Financial Reporting Council. The company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS100). Accordingly, in the year ended 30 June 2015, the company has adopted FRS101 'Reduced Disclosure Framework' and has ceased to apply all UK Accounting Standards issued prior to FRS100. Therefore the recognition and measurement requirements of EU-adopted IFRS have been applied, with amendments where necessary to comply with Companies Act 2006.

Where required, equivalent disclosures are given in the F W Thorpe Plc group financial statements.

The company has adopted all IFRS adopted in the EU, with the exception of the disclosure exemptions listed below. The company and Group has not early adopted any other standards or interpretations not yet endorsed by the EU.

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using FRS101.

Disclosure exemptions adopted

The company has taken advantage of the following disclosure exemptions permitted under FRS 101 in relation to the following:

The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of paragraph 73(e) of IAS 16 Property, Plant and Equipment, and paragraph 118(e) of IAS 38 Intangible Assets;

The requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements to present information on the Company's capital management;

The requirements of IAS 7 Statement of Cash Flows;

The requirements of IFRS 7 Financial instruments: Disclosures;

The requirements of paragraphs 30 and 31 of IAS 8 Accounting policies, changes in accounting estimates and errors to present disclosure of new standards and interpretations that have been issued but not yet effective;

The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a Group.

First Time adoption of FRS101

The company's date of transition to FRS101 is 1 July 2013 and all comparative information in the financial statements has been restated to reflect the company's adoption of FRS101, except where otherwise required or permitted by paragraphs 6 to 33 of International Financial Reporting Standard 1 – 'First Time Adoption of International Financial Reporting Standards' (IFRS1). Details of the impact of this transition are given in note 20.

Revenue recognition

Revenue is recognised upon delivery and acceptance by customers of products in the year. Revenue is shown net of value added tax and discounts.

Portland Lighting Limited

Notes to the financial statements for the year ended 30 June 2015

(continued)

1 Summary of significant accounting policies (continued)

Intangible assets

Development costs

The company undertakes development activities on an ongoing basis. Part of these costs relate to projects where the benefit is received in the short term (less than one year) and part relates to longer term projects where the benefit is expected to be received for several years to come. Costs associated with the shorter term activities are expensed as and when they are incurred. Costs associated with the longer term projects are capitalised as an intangible asset and amortised over the expected life of the benefit, generally at 33.33% per annum, commencing when the asset is available for use within the business. Development assets are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use;
- Management intends to complete the intangible asset and use or sell it;
- There is an ability to use or sell the intangible asset;
- It can be demonstrated how the intangible asset will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- The expenditure attributable to the intangible asset during its development can be reliably measured.
- Other development expenditures that do not meet these criteria are recognised as an expense as incurred.
- Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.
- The economic success for development activities is uncertain and carrying amounts are reviewed at each balance sheet date for impairment in accordance with IAS 36.
- Development assets are valued at cost less accumulated amortisation and any impairment losses.

Software costs

Software costs are stated at cost less accumulated amortisation and impairment where applicable. Amortisation is calculated on a straight-line basis to write down the cost less estimated residual value over its useful life. The amortisation rates are between 20% and 50% per annum.

Dividend distribution

Dividend distributions to the company's shareholder are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholder.

Property plant and equipment

Tangible fixed assets are stated at historical purchase cost less accumulated depreciation. Cost includes the original purchase price together with the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is calculated on a straight line basis to write off the cost of assets over their useful life as shown below:

Plant and machinery	3 to 10 years
Office furniture and equipment	3 to 10 years
Motor vehicles	4 years

Portland Lighting Limited

Notes to the financial statements for the year ended 30 June 2015

(continued)

1 Summary of significant accounting policies (continued)

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined by the average cost method. The cost of work in progress and finished goods comprises the cost of raw materials, direct labour and other direct and related production overheads, relating to the normal level of activity.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. Provision is made against the cost of slow moving, obsolete inventory lines based on the estimated recoverable amounts.

Debtors

Trade debtors are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amounts of the year end. Bad debts are written off when identified.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable only when; on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

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

Pension obligations

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independent administered fund. The pension cost charge disclosed in note 3 represents contributions payable by the company to the fund.

Leases

Leases, where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Warranty

The company recognises as an accrual, the estimated cost to repair or replace products still under warranty at the balance sheet date. The accrual is calculated based on past history of the level of repairs and replacements.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the balance sheet date. Exchange differences arising on translation and/or settlement are charged to the profit and loss account where incurred.

Portland Lighting Limited

Notes to the financial statements for the year ended 30 June 2015

(continued)

1 Summary of significant accounting policies (continued)

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Development costs

The company undertakes development activities and the commercial viability of these activities are assessed on a continual basis. The company makes assumptions about the future value of the work based on past experience of similar development projects and the feedback from the marketplace about future expectations for technological development. The company seeks to minimise the risk of product development failure by engaging with others to overcome technological difficulties and by regularly assessing the expectation of the market.

2 Revenue and profit/(loss) before income tax

The revenue and profit/(loss) on ordinary activities before taxation are attributable to one activity, the manufacture and distribution of low energy lighting equipment in the UK.

The profit/(loss) on ordinary activities before taxation is stated after charging/(crediting):

	2015	2014
		(restated)
	£'000	£'000
Auditors' remuneration for audit services (inclusive of out of pocket expenses)	10	8
Depreciation of property, plant and equipment	13	23
Amortisation of intangible assets	31	14
Operating leases – land and buildings	72	72

Amortisation of intangible assets relates to internally generated development costs and is charged to administrative expenses.

Portland Lighting Limited

Notes to the financial statements for the year ended 30 June 2015 (continued)

3 Directors and employees

	2015	2014
	£'000	£'000
Staff costs:		
Wages and salaries	597	564
Social security costs	63	56
Other pension and related costs (note 17)	17	12
	677	632

The monthly average number of directors and employees employed by the company during the year is set out below:

	2015	2014
By activity	Number	Number
Production	12	10
Selling and distribution	3	3
Administration	3	4
	18	17

Directors' emoluments

Remuneration in respect of the directors was payable as follows:

	2015	2014
	£'000	£'000
Aggregate emoluments	144	149

Retirement benefits are accruing to one (2014: one) director under money purchase arrangements. At 30 June 2015 an amount of £nil (2014: £nil) was prepaid in respect of contributions to the money purchase pension scheme.

The emoluments of the highest paid director were £144,000 (2014: £114,000) with £3,000 (2014: £3,000) being contributed to a personal pension scheme.

The other directors of the company are also directors of FW Thorpe Plc and received emoluments from that company and did not receive any emoluments in respect of their services to the company (2014: nil). Disclosure of the total emoluments of the directors of FW Thorpe Plc are made in the financial statements of FW Thorpe Plc. It is not possible to allocate the emoluments attributable to the company of those directors.

Portland Lighting Limited

Notes to the financial statements for the year ended 30 June 2015 (continued)

4 Finance income

	2015	2014
	£'000	£'000
Amounts due from parent company	4	3

5 Income tax expense

The tax expense is based on the profit for the financial year:

	2015	2014 (restated)
	£'000	£'000
Current tax:		
UK corporation tax on profit for the year	209	46
Adjustments in respect of previous years	143	47
Total current tax	352	93
Deferred tax:		
Origination and reversal of timing differences (note 12)	(2)	4
Total deferred tax	(2)	4
Tax on profit on ordinary activities	350	97

The tax assessed for the year is higher (2014: lower) than the standard rate of corporation tax in the UK of 20.75% (2014: 22.5 %). The differences are explained below.

	2015	2014 (restated)
	£'000	£'000
Profit on ordinary activities before tax	1,026	1,079
Loss on ordinary activities multiplied by the standard rate in the UK 20.75% (2014: 22.5%)	213	243
Accelerated relief for R&D expenditure	(7)	(13)
Accelerated capital allowances and timing differences	1	3
Adjustments in respect of prior years	143	47
Group relief	-	(183)
Tax expense for the year	350	97

Portland Lighting Limited

Notes to the financial statements for the year ended 30 June 2015

(continued)

5 Income tax credit (continued)

The £143,000 adjustment in respect of previous years relates to payment made to other companies in the F W Thorpe Plc group of companies for group relief.

The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly the company's loss for this accounting year is taxed at an effective rate of 20.75%. Changes to the UK corporation tax rate were announced in the Chancellor's Budget on 8 July 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020.

As these changes have not been substantively enacted at the balance sheet date their effects are not included in these financial statements. The overall effect of these changes, if they had been applied to the deferred tax balance at the balance sheet date, would be to reduce the deferred tax liability by an additional £1,000 and reduce the tax expense for the period by £nil.

Group relief relates to payments made to fellow subsidiaries of the F W Thorpe Plc group of companies for the surrender utilisation of their tax losses.

6 Property, plant and equipment

	Leasehold improve- ments £'000	Plant and machinery £'000	Office furniture and equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 July 2014 (restated)	31	315	57	45	448
Additions	-	-	1	-	1
Disposals	-	-	(26)	-	(26)
At 30 June 2015	31	315	32	45	423
Accumulated depreciation					
At 1 July 2014 (restated)	31	297	44	37	409
Charge for the year	-	2	8	3	13
Disposals	-	-	(26)	-	(26)
At 30 June 2015	31	299	26	40	396
Net book value					
At 30 June 2015	-	16	6	5	27
At 30 June 2014 (restated)	-	18	13	8	39

Portland Lighting Limited

Notes to the financial statements for the year ended 30 June 2015 (continued)

7 Intangible assets

	Development costs £'000	Software £'000	Total £'000
Cost			
At 1 July 2014 (restated)	103	1	104
Additions	22	-	22
Disposals	-	-	-
At 30 June 2015	125	1	126
Accumulated amortisation			
At 1 July 2014 (restated)	14	1	15
Charge for the year	31	-	31
Disposals	-	-	-
At 30 June 2015	45	1	46
Net book value			
At 30 June 2015	80	-	80
At 30 June 2014 (restated)	89	-	89

Development costs are longer term projects where the benefit is received for several years to come. Amortisation of £31,000 (2014 (restated) £14,000) is included in administrative expenses.

8 Inventories

	2015 £'000	2014 £'000	2013 £'000
Raw materials and consumables	100	131	109
Work in progress	34	26	30
Finished goods and goods for resale	31	-	-
	165	157	139

The cost of inventories recognised as an expense and included in cost of sales amounted to £1,287,000 (2014: £1,331,000). The amount of write-down in inventory to net realisable value is £12,000 (2014: £7,000).

Portland Lighting Limited

Notes to the financial statements for the year ended 30 June 2015 (continued)

9 Trade and other receivables

	2015 £'000	2014 (restated) £'000	2013 (restated) £'000
Trade receivables	531	666	478
Amounts owed by Group undertakings	-	1	-
Amounts owed by parent company	1,533	1,419	795
Corporation tax	-	-	119
Prepayments and accrued income	10	12	12
	2,074	2,098	1,404

Amounts owed by Group undertakings are unsecured, interest free and are repayable on demand. Amounts owed by the parent company in relation to working capital balances generate interest in-line with the Group's deposit facilities.

10 Trade and other payables

	2015 £'000	2014 (restated) £'000	2013 (restated) £'000
Trade payables	244	345	230
Corporation tax	200	55	-
Other taxation and social security	90	111	91
Accruals and deferred income	90	68	29
Other payables	18	18	17
	642	597	367

11 Non-current liabilities

	2015 £'000	2014 (restated) £'000	2013 (restated) £'000
Deferred tax liability (note 12)	16	18	19

Portland Lighting Limited

Notes to the financial statements for the year ended 30 June 2015 (continued)

12 Deferred tax asset/(liability)

	2015	2014 (restated)	2013 (restated)
	£'000	£'000	£'000
Deferred tax asset	3	3	5
Deferred tax liability	(16)	(18)	(19)
Net deferred tax liability	(13)	(15)	(14)

	Accelerated tax depreciation	Research & development costs	Total
	£'000	£'000	£'000
At 1 July 2013 (restated)	5	(19)	(14)
Charged to Income statement (note 5) (restated)	(2)	(2)	(4)
Credited directly to equity (restated)	-	3	3
At 1 July 2014 (restated)	3	(18)	(15)
Credited to Income statement (note 5)	-	2	2
At 30 June 2015	3	(16)	(13)

13 Share capital

	2015	2014	2013
	£	£	£
Allotted and fully paid:			
336 ordinary shares of £0.20 each (2014: 336 ordinary shares of £0.20 each)	67	67	67

There were no shares issued during the year (2014: nil)

Portland Lighting Limited

Notes to the financial statements for the year ended 30 June 2015

(continued)

14 Capital redemption reserve

	2015	2014	2013
	£	£	£
At 30 June	33	33	33

15 Dividends

Dividends paid	2015	2014	2013
	£'000	£'000	£'000
Dividends paid for the year £2,232.14 per share (2014 & 2013: £1,488.10)	750	500	500

Dividends proposed	2015	2014	2013
	£'000	£'000	£'000
Proposed dividend for the year of £2,232.14 per share (2014: £2,232.14 per share & 2013: £1,488.10 per share)	750	750	500

Proposed dividends are not paid or formally approved at the year end and hence have not been recognised within the 2015 balance sheet or reserves.

16 Commitments

(a) Capital commitments

At 30 June 2015, the company had no capital commitments (2014: £nil).

(b) Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases, are as follows which all relate to land and buildings, expire:

	2015	2014	2013
	£'000	£'000	£'000
Between two and five years	238	310	-
More than five years	-	-	382
Total	238	310	382

Portland Lighting Limited

Notes to the financial statements for the year ended 30 June 2015 (continued)

17 Pension scheme

From April 2014 the company has provided an auto-enrolment pension scheme. Contributions to the auto-enrolment scheme amounted to £13,000 (2014: £3,000).

18 Related party transactions and balances

The company is included in the consolidated financial statements of F W Thorpe Plc and the financial statements of the Group are publicly available.

The company has taken advantage of the exemption allowed by IAS24, 'Related Party Disclosures' not to disclose transactions and balances with fellow wholly owned Group undertakings of FW Thorpe Plc in these financial statements.

Expo Floors Limited is a related company because A R Truelove is a director and major shareholder. Portland Alloys Limited is a related company because A R Truelove and D J Harrison are directors and major shareholders. The transactions and balances at 30 June 2015 are as follows.

	Purchases	Sales	Net Recharges	Balance due to Portland at 30 June 2015	Balance due from Portland at 30 June 2015
	£'000	£'000	£'000	£'000	£'000
Expo Floors Limited	6	-	-	-	1
Portland Alloys Limited	232	3	13	5	39

Purchases and sales are made on normal trading terms.

During the financial year the company occupied premises owned by A R Truelove, S C Crutchley, P Owen and the Standard Life Trustee Company for which rent of £71,784 was paid. The rental is comparable to similar units in the local area.

There is one employee who is also a related party. Total remuneration for the period was £23,000 (2014: £20,000).

19 Ultimate parent company and controlling party

The directors consider FW Thorpe Plc, a company registered in England and Wales to be the ultimate parent company and controlling party by virtue of its interest in the share capital of the company.

Copies of the parent's consolidated financial statements being the smallest and largest financial statements to contain the company's numbers may be obtained from The Secretary, FW Thorpe Plc, Merse Road, North Moons Moat, Redditch, Worcestershire, B989HH.

Portland Lighting Limited

Notes to the financial statements for the year ended 30 June 2015

(continued)

20 Transition to FRS101

The company has adopted FRS101 for the first time in these financial statements. The last financial statements prepared under the previous UK accounting framework were for the year ending 30 June 2014, therefore the date of transition was 1 July 2013.

Reconciliation of Balance Sheet at 1 July 2013

	UK GAAP	Capitalised R&D	Other transition effects	Restated under FRS101
	£'000	£'000	£'000	£'000
Non-current assets				
Property, plant and equipment	44	-	-	44
Intangible assets	-	81	-	81
Deferred tax asset	-	-	5	5
Total non-current assets	44	81	5	130
Current assets				
Inventories	139	-	-	139
Trade and other receivables	1,409	-	(5)	1,404
Cash and cash equivalents	-	-	-	-
Total current assets	1,548	-	(5)	1,543
Total current liabilities	(364)	-	(3)	(367)
Net current assets	1,184	-	(8)	1,176
Total assets less current liabilities	1,228	81	(3)	1,306
Total non-current liabilities	-	(19)	-	(19)
Net assets	1,228	62	(3)	1,287
Equity				
Share capital	-	-	-	-
Retained earnings	1,228	62	(3)	1,287
Total equity	1,228	62	(3)	1,287

Portland Lighting Limited

Notes to the financial statements for the year ended 30 June 2015

(continued)

20 Transition to FRS101 (continued)

Reconciliation of Balance Sheet at 30 June 2014

	UK GAAP	Capitalised R&D	Other transition effects	Restated under FRS101
	£'000	£'000	£'000	£'000
Non-current assets				
Property, plant and equipment	39	-	-	39
Intangible assets	-	89	-	89
Deferred tax asset	-	-	3	3
Total non-current assets	39	89	3	131
Current assets				
Inventories	157	-	-	157
Trade and other receivables	2,100	-	(2)	2,098
Cash and cash equivalents	1	-	-	1
Total current assets	2,258	-	(2)	2,256
Total current liabilities	(595)	-	(2)	(597)
Net current assets	1,663	-	(4)	1,659
Total assets less current liabilities	1,702	89	(1)	1,790
Total non-current liabilities	-	(18)	-	(18)
Net assets	1,702	71	(1)	1,772
Equity				
Share capital	-	-	-	-
Retained earnings	1,702	71	(1)	1,772
Total equity	1,702	71	(1)	1,772

Portland Lighting Limited

Notes to the financial statements for the year ended 30 June 2015 (continued)

20 Transition to FRS101 (continued)

Reconciliation of Income statement for the year ended 30 June 2014

	UK GAAP	Capitalised R&D	Other transition effects	Restated under FRS101
	£'000	£'000	£'000	£'000
Continuing operations				
Revenue	3,437	-	-	3,437
Cost of sales	(1,856)	-	-	(1,856)
Gross profit	1,581	-	-	1,581
Distribution costs	(175)	-	-	(175)
Administrative expenses	(340)	8	2	(330)
Operating profit	1,066	8	2	1,076
Finance income	3	-	-	3
Profit before income tax	1,069	8	2	1,079
Income tax expense	(95)	(2)	-	(97)
Profit for the year	974	6	2	982

All income derives from continuing operations

Reconciliation of statement of comprehensive income for the year ended 30 June 2014

	UK GAAP	Capitalised R&D	Other transition effects	Restated under FRS101
	£'000	£'000	£'000	£'000
Profit/(loss) for the year	974	6	2	982
Deferred taxation	-	3	-	3
Total comprehensive income	974	9	2	985

Portland Lighting Limited

Notes to the financial statements for the year ended 30 June 2015 (continued)

20 Transition to FRS101 (continued)

Explanation of Changes from UK GAAP to FRS101

1. Capitalised R&D

Research and development costs are categorised into short term projects (less than one year) and longer term projects where the benefit is expected to be received for several years to come. Costs associated with short term projects are expensed as and when they are incurred. Costs associated with longer term projects are capitalised as an intangible asset and amortised over three years, the expected life of the benefit.

The previous treatment, under UK GAAP, was to expense all of these costs when incurred. The impact of this transition adjustment has been to reduce operating profit by £9,000 (2014: increase of £8,000)

2. Other transition effects

Other transition effects primarily consist of:

- Reclassification of deferred tax asset from current assets to non-current assets;
- Settlement discounts for prompt payment; and
- Accruals for outstanding holiday entitlement