

Registered number 07502961

REGISTRAR COPY

DEXRETAIL LIMITED

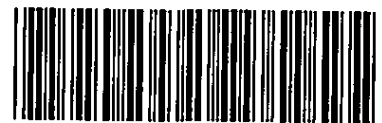
UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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DEXRETAIL LIMITED

CONTENTS

	Page
Company Information Page	1
Strategic Report	2
Directors' Report	3
Accountant's Report	4
Statement of Income and Retained Earnings	5
Balance Sheet	6
Notes to the Financial Statements	7 - 17

DEXRETAIL LIMITED

COMPANY INFORMATION

Directors	R H J Martin J C Martin K J Brownhill D Ward J Conduit D Paxman
Company secretary	J C Martin
Registered number	07502961
Registered office	Brickfields Business Park Gillingham Dorset SP8 4PX
Accountants	MHA MacIntyre Hudson Chartered Accountants Peterbridge House The Lakes Northampton NN4 7HB

DEXRETAIL LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

Introduction

The principal activity of the company during the year was the sale of lighting products into the retail sector

Business review

As expected by the Board last year turnover reduced from £29 million to £18.9 million. A number of new retailers were on-boarded and despite reductions in spending from some of the larger multiple retailers the Board considers this a reasonable outcome. With relatively strict controls on overheads during the year the Profit on ordinary activities before taxation reduced to £2.7 million which the board considers is very acceptable in the prevailing economic circumstances and considering the substantial reduction in turnover.

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 arranged adequate cash flow facilities and reviews them on a regular basis.

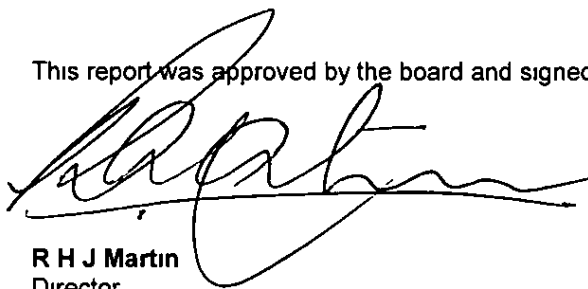
Credit risk

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

Competition risk

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

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



R H J Martin
Director

Date 15 August 2016

DEXRETAIL LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

The directors present their report and the financial statements for the year ended 31 December 2015

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 for the Company financial statements and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 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 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 £2,189,791 (2014 - £3,080,682)

A dividend of £2,000,000 (2014 - £nil) was paid during the year.

Directors

The directors who served during the year were

R H J Martin
J C Martin
K J Brownhill
D Ward
J Conduit
D Paxman

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



R. H. J. Martin
Director

Date 15 August 2016

DEXRETAIL LIMITED

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF
THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF DEXRETAIL LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2015**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Dexretail Limited for the year ended 31 December 2015 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes from the Company's accounting records and from information and explanations you have given us

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at icaew.com/en/members/regulations-standards-and-guidance/

This report is made solely to the Board of Directors of Dexretail Limited, as a body, in accordance with the terms of our engagement letter dated 6 March 2015. Our work has been undertaken solely to prepare for your approval the financial statements of Dexretail Limited and state those matters that we have agreed to state to the Board of Directors of Dexretail Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Dexretail Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Dexretail Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Dexretail Limited. You consider that Dexretail Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Dexretail Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



MHA MacIntyre Hudson

Chartered Accountants

Peterbridge House
The Lakes
Northampton
NN4 7HB

Date 30 April 2016

DEXRETAIL LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £	2014 £
Turnover		18,875,097	28,985,181
Cost of sales		(13,946,037)	(22,821,143)
Gross profit		4,929,060	6,164,038
Distribution costs		(372,769)	(294,721)
Administrative expenses		(1,664,550)	(1,724,988)
Operating profit		2,891,741	4,144,329
Interest payable and similar charges	8	(142,237)	(213,945)
Profit before tax		2,749,504	3,930,384
Tax on profit	9	(559,713)	(849,702)
Profit after tax		2,189,791	3,080,682
Retained earnings at the beginning of the year		5,289,108	2,208,426
Profit for the year		2,189,791	3,080,682
Dividends declared and paid		(2,000,000)	-
Retained earnings at the end of the year		5,478,899	5,289,108

There were no recognised gains and losses for 2015 or 2014 other than those included in the profit and loss account

The notes on pages 7 to 17 form part of these financial statements

DEXRETAIL LIMITED
REGISTERED NUMBER:07502961

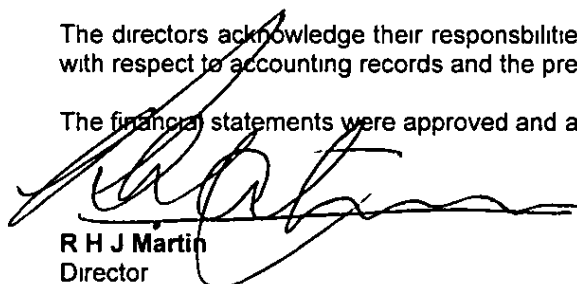
BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	11	40,149	67,678
Current assets			
Debtors amounts falling due within one year	12	16,531,717	6,987,024
Creditors amounts falling due within one year	13	(11,061,693)	(1,727,104)
Net current assets		5,470,024	5,259,920
Total assets less current liabilities		5,510,173	5,327,598
Provisions for liabilities			
Other provisions	15	(31,174)	(38,390)
		(31,174)	(38,390)
Net assets		5,478,999	5,289,208
Capital and reserves			
Called up share capital	17	100	100
Profit and loss account	16	5,478,899	5,289,108
		5,478,999	5,289,208

The directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006 ("the Act") and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Act

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements

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



R H J Martin
Director

Date 15 August 2016

The notes on pages 7 to 17 form part of these financial statements

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

1. General information

Dexretail Limited is a private company, limited by shares, domiciled in England and Wales, registration number 07502961

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 and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006

Information on the impact of first-time adoption of FRS 102 is given in note 21

The financial statements are presented in sterling, which is the functional currency of the entity

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

The following principal accounting policies have been applied

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

- the requirements of Section 4 Statement of Financial Position paragraph 4 12(a)(iv),
- the requirements of Section 7 Statement of Cash Flows,
- the requirements of Section 3 Financial Statement Presentation paragraph 3 17(d),
- the requirements of Section 11 Financial Instruments paragraphs 11 39 to 11 48A,
- the requirements of Section 12 Other Financial Instruments paragraphs 12 26 to 12 29
- the requirements of Section 33 Related Party Disclosures paragraph 33 7

This information is included in the consolidated financial statements of Dextra Group Plc as at 31 December 2015 and these financial statements may be obtained from Companies House

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

2. Accounting policies (continued)

2.3 Revenue

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

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	- 25% straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Income and Retained Earnings.

2.5 Operating leases - Lessee

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

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

2. Accounting policies (continued)

2.6 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.

2.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an 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.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company 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.

2.8 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.

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

2. Accounting policies (continued)

2.9 Finance costs

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Dividends

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

2.11 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and Loss Account in the year that the Company 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.

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

2 Accounting policies (continued)

2.13 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates 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, and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date

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

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

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

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

DEXRETAIL LIMITED

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

4. Analysis of turnover

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

Analysis of turnover by country of destination

	2015 £	2014 £
United Kingdom	18,694,907	28,784,645
Rest of Europe	180,190	200,536
	<u>18,875,097</u>	<u>28,985,181</u>

5 Operating profit

The operating profit is stated after charging

	2015 £	2014 £
Depreciation of tangible fixed assets	27,529	30,582
Profit on sale of tangible assets	(5,550)	-
Operating lease costs - land and buildings	5,400	5,400
Exchange differences	223	-
Defined contribution pension cost	18,126	11,520
	<u>18,126</u>	<u>11,520</u>

6. Employees

Staff costs, including directors' remuneration, were as follows

	2015 £	2014 £
Wages and salaries	649,245	636,356
Social security costs	72,450	65,057
Cost of defined contribution scheme	18,126	11,520
	<u>739,821</u>	<u>712,933</u>

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

	2015 No	2014 No
Distribution	5	4
Administrative	2	2
	<u>7</u>	<u>6</u>

DEXRETAIL LIMITED

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

7. Directors' remuneration

	2015 £	2014 £
Directors' emoluments	378,281	361,035
Company contributions to defined contribution pension schemes	11,200	7,575
	<u>389,481</u>	<u>368,610</u>

During the year retirement benefits were accruing to 2 directors (2014 - 2) in respect of defined contribution pension schemes

The highest paid director received remuneration of £219,385 (2014 - £214,057)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5,950 (2014 - £4,040)

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

8. Interest payable and similar charges

	2015 £	2014 £
Bank interest payable	128	-
Loans from group undertakings	142,109	213,945
	<u>142,237</u>	<u>213,945</u>

DEXRETAIL LIMITED

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

9. Taxation

	2015 £	2014 £
Corporation tax		
Current tax on profits for the year	559,713	849,652
Adjustments in respect of previous periods	-	50
Total current tax	559,713	849,702

Factors affecting tax charge for the year

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

	2015 £	2014 £
Profit on ordinary activities before tax	2,749,504	3,930,384
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%)	556,775	845,033
Effects of:		
Expenses not deductible for tax purposes	1,053	1,530
Depreciation for year in excess of capital allowances	1,980	3,359
Adjustments to tax charge in respect of prior periods	-	50
Other differences leading to an increase (decrease) in the tax charge	(95)	(270)
Total tax charge for the year	559,713	849,702

10. Dividends

	2015 £	2014 £
Dividends paid on equity capital	2,000,000	-

DEXRETAIL LIMITED

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

11 Tangible fixed assets

	Motor vehicles £
Cost or valuation	
At 1 January 2015	115,040
Disposals	(4,924)
At 31 December 2015	<u>110,116</u>
Depreciation	
At 1 January 2015	47,362
Charge owned for the period	27,529
Disposals	(4,924)
At 31 December 2015	<u>69,967</u>
Net book value	
At 31 December 2015	<u><u>40,149</u></u>
At 31 December 2014	<u><u>67,678</u></u>

12. Debtors

	2015 £	2014 £
Trade debtors	3,127,316	2,921,165
Amounts owed by group undertakings	13,404,401	4,065,859
	<u><u>16,531,717</u></u>	<u><u>6,987,024</u></u>

DEXRETAIL LIMITED

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

13. Creditors Amounts falling due within one year

	2015 £	2014 £
Amounts owed to group undertakings	10,158,678	215,246
Corporation tax	559,713	849,652
Accruals and deferred income	343,302	662,206
	<u>11,061,693</u>	<u>1,727,104</u>

14. Financial instruments

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

15. Provisions

	WEEE provision £
At 1 January 2015	38,390
Charged to the profit or loss	39,435
Utilised in year	(46,651)
At 31 December 2015	<u>31,174</u>

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

16. Reserves**Profit and loss account**

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

17. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
100 Ordinary shares shares of £1 each	<u>100</u>	<u>100</u>

DEXRETAIL LIMITED

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

18. Pension commitments

The company operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the company. Contributions payable in the year amounted to £18,126 (2014 - £11,520). There were no contributions (2014 - £nil) payable to the fund at the balance sheet date.

19. Related party transactions

The company is a wholly owned subsidiary of Dextra Group Plc.

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

20. Controlling party

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

The directors consider the ultimate controlling party to be R H J Martin by virtue of his majority shareholding in Dextra Group Plc.

21. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.