

Dyson Limited  
Annual report and financial statements  
for the year ended 31 December 2015



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# Dyson Limited

## Annual report and financial statements for the year ended 31 December 2015

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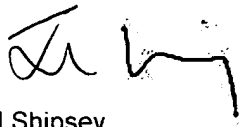
## Dyson Limited

### Strategic report for the year ended 31 December 2015

The results for Dyson Limited (the "Company") show turnover of £351.3m (2014: £285.6m) and a pre-tax profit of £22.6m (2014: £103.0m) for the year. The Company's total comprehensive income for the financial year was £21.0m (2014: £103.5m). Profit before taxation as a percentage of turnover dropped to 6.4% (2014: 36.1%).

The Company's principal operational risks and uncertainties relate to the continuing supply of products with superior performance, reputation and reliance on key personnel. The Company's principal financial risks are those relating to the price it can achieve for its products in the marketplace. The aim of the Company's financial risk management policies is to optimise financial performance by managing and mitigating these risks. The directors expect the general level of activity to continue in the forthcoming year.

By order of the Board on 10 March 2016.



J Shipsey  
Director

## Dyson Limited

### Directors' report for the year ended 31 December 2015

The directors present their annual report together with the audited financial statements of the Company for the year ended 31 December 2015.

#### Principal activities

The principal activity of the Company is the sale and service of domestic appliances and commercial hand dryers. The Company also provides group services to other Dyson James Group Limited group (the "Group") companies (including the provision of central services such as finance, human resources and property management).

#### Dividends

Total dividends paid amounted to £15.0m (2014: £145.0m).

#### Employee involvement

The Group's aim, for all members of staff and applicants for employment, is to fit the qualifications, aptitude and ability of each individual to the appropriate job and to provide equal opportunity regardless of sex, religion or ethnic origin. The Group does all that is practicable to meet its responsibility towards the employment of disabled people. Where an employee becomes disabled, every effort is made to provide continuity of employment in the same job or a suitable alternative.

The training and re-training of staff is a high priority. Much of this training is on the job as well as by internal and external courses. It is Group policy that career development and promotion opportunities should be available to all employees. The Group ensures that all employees are kept up to date by regular meetings and newsletters with major developments and changes within the organisation.

#### Directors

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

M Conze  
J Shipsey

#### Directors' indemnities

During the year and up to the date of approval of the directors' report, the Group had in place qualifying third party indemnity provisions available for the benefit of the directors of the Company and of fellow Group companies.

#### Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

## Dyson Limited

### Directors' report for the year ended 31 December 2015 (continued)

#### Statement of directors' responsibilities (continued)

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 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 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 which 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.

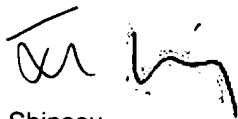
#### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps which he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

#### Auditors

The auditor, Ernst & Young LLP, has indicated its willingness to continue in office, and a resolution that it be re-appointed will be proposed at the Annual General Meeting.

By order of the Board on 10 March 2016.



J Shipsey  
Director

# **Independent auditor's report to the members of Dyson Limited**

We have audited the financial statements of Dyson Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Balance Sheet and the Statement of Changes in Equity and the related notes 1 to 25. The financial reporting framework which has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we may state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of directors and auditor**

As explained more fully in the 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information which is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Opinion on financial statements**

In our opinion the financial statements:

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

## **Opinion on other matter prescribed by the Companies Act 2006**

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

## **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

## Independent auditor's report to the members of Dyson Limited (continued)

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

*Ernst & Young LLP*

Debbie O'Hanlon (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Reading  
10 March 2016

**Dyson Limited****Profit and loss account**

For the year ended 31 December

	Note	2015 £m	2014 £m
Turnover	2	351.3	285.6
Cost of sales		(260.4)	(209.8)
<b>Gross profit</b>		<b>90.9</b>	<b>75.8</b>
Administrative expenses		(80.8)	(75.3)
<b>Operating profit</b>	3	<b>10.1</b>	<b>0.5</b>
Income from fixed asset investments	6	15.0	105.0
<b>Profit on ordinary activities before interest and taxation</b>		<b>25.1</b>	<b>105.5</b>
Finance income	7	0.2	0.0
Finance costs	8	(2.7)	(2.5)
<b>Profit on ordinary activities before taxation</b>		<b>22.6</b>	<b>103.0</b>
Tax on profit on ordinary activities	9	(1.6)	0.5
<b>Total comprehensive income</b>		<b>21.0</b>	<b>103.5</b>

All of the Company's operations are continuing.

There is no material difference between the profit on ordinary activities before taxation and the total comprehensive income for the financial years stated above and their historical cost equivalents. The Company has no recognised gains and losses other than those included above.


The notes and accounting policies on pages 9 to 26 form an integral part of these financial statements.

**Dyson Limited****Balance sheet**

At 31 December		2015	2015	2014	2014
	Note	£m	£m	£m	£m
<b>Fixed assets</b>					
Intangible assets	10	42.0		35.0	
Tangible assets	11	9.5		6.0	
Investments	12	203.5		201.2	
			255.0		242.2
<b>Current assets</b>					
Stock	13	5.5		1.4	
Debtors	14	59.8		109.7	
Cash at bank and in hand		11.9		10.8	
			77.2		121.9
<b>Creditors: Amounts falling due within one year</b>	15		(179.7)		(195.1)
<b>Net current liabilities</b>			(102.5)		(73.2)
<b>Total assets less current liabilities</b>			152.5		169.0
Creditors: Amounts falling due after one year	16		(0.9)		(1.0)
Provisions for liabilities	17		(1.2)		(23.6)
<b>Net assets</b>			150.4		144.4
<b>Capital and reserves</b>					
Called up share capital	18		0.0		0.0
Profit and loss reserve			150.4		144.4
<b>Total shareholders' funds</b>			150.4		144.4

The notes and accounting policies on pages 9 to 26 form an integral part of these financial statements.

The financial statements on pages 6 to 26 were approved by the board of directors and authorised for issue on 10 March 2016 and were signed on its behalf by:

  
J Shipsey  
Director

**Dyson Limited****Statement of changes in equity**

	Share capital £m	Profit and loss reserve £m	Total equity £m
<b>At 1 January 2014</b>	<b>0.0</b>	<b>185.9</b>	<b>185.9</b>
Total comprehensive income	-	103.5	<b>103.5</b>
Dividends paid	-	(145.0)	<b>(145.0)</b>
<b>At 31 December 2014</b>	<b>0.0</b>	<b>144.4</b>	<b>144.4</b>
Total comprehensive income	-	21.0	<b>21.0</b>
Dividends paid	-	(15.0)	<b>(15.0)</b>
<b>At 31 December 2015</b>	<b>0.0</b>	<b>150.4</b>	<b>150.4</b>

The notes and accounting policies on pages 9 to 26 are an integral part of these financial statements.

# Dyson Limited

## Statement of accounting policies

### Basis of accounting

The Company is incorporated in the United Kingdom under the Companies Act.

The address of the registered office is Tetbury Hill, Malmesbury, SN16 0RP. The nature of the Group's operations and its principal activities are set out in the directors' report.

These financial statements have been prepared on the going concern basis, notwithstanding net current liabilities of £102.5m (2014: £73.2m). The directors believe the Company will be able to meet its liabilities as they fall due for a period of at least 12 months from the date of approving the accounts as a result of the expected future trading and investment income of the business and on the understanding that there is currently no intention to recall the intercompany balances by any fellow Group companies within the next 12 months. Thus, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year.

The Company transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 25.

The functional currency of the Company is considered to be sterling because that is the currency of the primary economic environment in which the Company operates.

### Qualifying entity disclosure exemptions

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to financial instruments, the presentation of a cash flow statement and remuneration of key management personnel.

### Significant judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions which affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements:

- Rebate accruals

The Company is required to estimate the level of growth in sales to customers when calculating the level of rebates payable at the year end.

- Promotional accruals

The Company is required to make a judgement when estimating the variable element of promotional accruals. The estimate is based upon sales made to retailers.

### Turnover

Turnover represents the invoiced value of domestic appliances and commercial hand dryers sold and services provided by the Company during the year. These are recognised on delivery of the product or the completion of service, net of Value Added Tax, discounts and promotional expenditure.

# Dyson Limited

## Statement of accounting policies (continued)

### Foreign currencies

Trading items in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at mid-market rates of exchange ruling at the balance sheet date. Exchange differences arising on transactions are taken to the profit and loss account.

### Operating leases

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

### Intangible fixed assets and amortisation

Intangible assets acquired separately from a business are capitalised at cost. Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight line basis over their estimated useful life. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

The useful economic lives of intangible assets are as follows:

Software	3-8 years
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### Tangible fixed assets and depreciation

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

Depreciation is provided on tangible fixed assets at rates calculated so as to write off the cost, less estimated residual value, of each asset on a straight line basis, over its useful economic life, as follows:

Freehold buildings	50 years
Plant, equipment, fixtures and fittings:	
Information Technology	3-8 years
Motor vehicles	4 years
Other	3 years

Assets in the course of construction are not depreciated until they are ready for use. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's net realisable value and the value in use.

### Fixed asset investments

Investments in subsidiary undertakings are recorded at cost less provision for any impairment.

## Dyson Limited

### Statement of accounting policies (continued)

#### Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual arrangements entered into.

- Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction.

In a financing transaction, the financial asset or liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when the contractual rights to cash flows from the asset expire or are settled, or substantially all of the risks and rewards of ownership or control of the financial asset are transferred.

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

- Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other operating expenses.

- Interest-bearing loans and borrowings

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the counterparty (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is included in finance revenue in the profit and loss account.

#### Stock

Stock is stated at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

#### Provisions

A provision is recognised in the financial statements when an obligation exists at the balance sheet date, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the obligation can be made.

## **Dyson Limited**

### **Statement of accounting policies (continued)**

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences which have originated but not reversed at the balance sheet date, where transactions or events which 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. Unless disclosed separately, the deferred tax asset will crystallise after more than one year.

A deferred tax asset is recognised 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/or from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates which 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 a non-discounted basis.

#### **Pensions**

Contributions in respect of defined contribution pension schemes are charged to the profit and loss account as they fall due.

**Dyson Limited****Notes to the financial statements for the year ended 31 December 2015****1. Cash flow statement and related party disclosures**

The Company is a wholly-owned subsidiary of Holkham Group Limited. The results of the Company are included in the consolidated financial statements of Holkham Group Limited, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 102. The Company is also exempt under the terms of FRS 102.33.1A from disclosing related party transactions. This exemption allows the Company not to disclose details of transactions with other Group companies qualifying as related parties, as the consolidated financial statements of Holkham Group Limited, in which the Company is included, are publicly available.

**2. Turnover**

Turnover is derived solely from the principal activities of the Company and originated in the United Kingdom.

**3. Operating profit**

	2015	2014
	£m	£m
Operating profit is stated after charging/(crediting):		
Staff costs	48.1	40.4
Amortisation of intangible assets	7.6	6.0
Depreciation of tangible fixed assets	2.2	2.0
Operating leases – land and buildings	2.4	2.4
Operating leases - other	1.0	0.9
(Gain)/loss on foreign exchange for the year	(0.0)	0.0

Fees payable for the audit of the Company's financial statements were £36,000 (2014: £29,000).

**4. Directors' remuneration**

The total amount of directors' remuneration is included in the Dyson James Group Limited financial statements. It is not practical to allocate the amount of remuneration for qualifying services in respect of the Company.

**Dyson Limited****Notes to the financial statements for the year ended 31 December 2015 (continued)****5. Staff costs**

	<b>2015</b>	<b>2014</b>
	<b>£m</b>	<b>£m</b>
Wages and salaries	<b>41.3</b>	34.4
Social security costs	<b>4.6</b>	3.8
Other pension costs	<b>2.2</b>	2.2
	<b>48.1</b>	40.4

The Company operates one defined contribution pension scheme. The assets are held and managed independently of the finances of the Company.

The average monthly number of staff employed by the Company during the year was:

	<b>2015</b>	<b>2014</b>
	<b>Number</b>	<b>Number</b>
Sales and administration	<b>956</b>	841

**6. Income from fixed asset investments**

	<b>2015</b>	<b>2014</b>
	<b>£m</b>	<b>£m</b>
Dividends received	<b>15.0</b>	105.0

**7. Finance income**

	<b>2015</b>	<b>2014</b>
	<b>£m</b>	<b>£m</b>
Interest receivable on intra-Group loans	<b>0.0</b>	0.0
Other interest receivable	<b>0.2</b>	0.0
<b>Finance income</b>	<b>0.2</b>	0.0

Interest was receivable on intra-Group variable rate deposits at the Group finance company's cost of funds (2014: Group finance company's cost of funds).

**Dyson Limited****Notes to the financial statements for the year ended 31 December 2015 (continued)****8. Finance costs**

	<b>2015</b>	<b>2014</b>
	<b>£m</b>	<b>£m</b>
Interest payable on intra-Group loans	<b>2.5</b>	<b>2.4</b>
Other interest payable	<b>0.2</b>	<b>0.1</b>
<b>Finance costs</b>	<b>2.7</b>	<b>2.5</b>

Interest was payable on intra-Group variable rate loans at 1.2% above the Group finance company's cost of funds (2014: 1.2% above the Group finance company's cost of funds).

**9. Tax on profit on ordinary activities**

	<b>2015</b>	<b>2014</b>
	<b>£m</b>	<b>£m</b>
<b>Current tax:</b>		
- UK corporation tax on profits for the period	<b>1.8</b>	<b>(1.0)</b>
- adjustments in respect of previous periods	<b>(0.2)</b>	<b>0.0</b>
<b>Total current tax</b>	<b>1.6</b>	<b>(1.0)</b>
<b>Deferred tax:</b>		
- origination and reversal of timing differences	<b>(0.0)</b>	<b>0.6</b>
- adjustments in respect of previous periods	<b>(0.0)</b>	<b>(0.1)</b>
<b>Total deferred tax (note 14)</b>	<b>(0.0)</b>	<b>0.5</b>
<b>Tax on profit on ordinary activities</b>	<b>1.6</b>	<b>(0.5)</b>

**Dyson Limited****Notes to the financial statements for the year ended 31 December 2015 (continued)****9. Tax on profit on ordinary activities (continued)**

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

	2015 £m	2014 £m
<b>Profit on ordinary activities before tax</b>	<b>22.6</b>	<b>103.0</b>
 Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.25% (2014: 21.5%)	 <b>4.6</b>	 22.1
 Effects of:		
Non-taxable income	(3.0)	(22.6)
Expenses not deductible for tax	0.1	0.1
Adjustments in respect of previous periods	(0.2)	(0.1)
Changes in tax rates	0.1	(0.0)
<b>Tax on profit on ordinary activities</b>	<b>1.6</b>	<b>(0.5)</b>

Reductions in the United Kingdom's corporation tax rate from 20% to 19% with effect from 1 April 2017 and from 19% to 18% with effect from 1 April 2020 were substantively enacted on 26 October 2015.

**Dyson Limited****Notes to the financial statements for the year ended 31 December 2015 (continued)****10. Intangible assets**

	<b>Software £m</b>
<b>Cost</b>	
At 1 January 2015	57.6
Additions	14.8
Disposals	(0.2)
<b>At 31 December 2015</b>	<b>72.2</b>
<b>Amortisation</b>	
At 1 January 2015	22.6
Charge for the year	7.6
<b>At 31 December 2015</b>	<b>30.2</b>
<b>Net book amount</b>	
<b>At 31 December 2015</b>	<b>42.0</b>
At 31 December 2014	35.0

**Dyson Limited****Notes to the financial statements for the year ended 31 December 2015 (continued)****11. Tangible assets**

	Freehold property, land and buildings £m	Plant, equipment, fixtures and fittings £m	Total £m
<b>Cost</b>			
At 1 January 2015	0.4	20.2	20.6
Additions	2.8	3.2	6.0
Disposals	-	(0.5)	(0.5)
Intragroup transfer	-	(0.1)	(0.1)
<b>At 31 December 2015</b>	<b>3.2</b>	<b>22.8</b>	<b>26.0</b>
<b>Accumulated depreciation</b>			
At 1 January 2015	0.4	14.2	14.6
Charge for year	0.0	2.2	2.2
Disposals	-	(0.3)	(0.3)
<b>At 31 December 2015</b>	<b>0.4</b>	<b>16.1</b>	<b>16.5</b>
<b>Net book amount</b>			
<b>At 31 December 2015</b>	<b>2.8</b>	<b>6.7</b>	<b>9.5</b>
At 31 December 2014	-	6.0	6.0

The cost and net book value amounts include assets in the course of construction as follows:

<b>At 31 December 2015</b>	<b>-</b>	<b>14.3</b>	<b>14.3</b>
At 31 December 2014	-	4.8	4.8

Capital expenditure contracted but not provided for at the year end was £4.0m (2014: £1.1m).

**Dyson Limited****Notes to the financial statements for the year ended 31 December 2015 (continued)****12. Investments**

	<b>2015</b>	2014
	<b>£m</b>	£m
<b>Unlisted investments at cost</b>		
At 1 January	<b>201.2</b>	199.7
Additions	<b>2.3</b>	1.5
<b>At 31 December</b>	<b>203.5</b>	<b>201.2</b>

The only subsidiaries held directly by the Company are:

<b>Company name</b>	<b>Country of incorporation</b>	<b>Shares held</b>	<b>Company holding %</b>	<b>Principal activity</b>
Dyson International Ltd	UK	Ordinary	100	Intermediate holding company
Dyson Technologies (Shanghai) Ltd	China	Ordinary	100	Sale and service of domestic and commercial appliances

The subsidiaries held indirectly by the Company are as follows:

<b>Company name</b>	<b>Country of incorporation</b>	<b>Shares held</b>	<b>Company holding %</b>	<b>Principal activity</b>
Dyson Appliances (Australia) Pty Ltd	Australia	Ordinary	100	Sale and service of domestic and commercial appliances
Dyson Canada Ltd	Canada	Ordinary	100	Sale and service of domestic and commercial appliances
Dyson SAS	France	Ordinary	100	Sale and service of domestic and commercial appliances
Dyson GmbH	Germany	Ordinary	100	Sale and service of domestic and commercial appliances
Dyson BV	Netherlands	Ordinary	100	Sale and service of domestic and commercial appliances
Dyson KK	Japan	Ordinary	100	Sale and service of domestic and commercial appliances
Dyson Spain SL	Spain	Ordinary	100	Sale and service of domestic and commercial

**Dyson Limited****Notes to the financial statements for the year ended 31 December 2015 (continued)****12. Investments (continued)**

<b>Company name</b>	<b>Country of incorporation</b>	<b>Shares held</b>	<b>Company holding %</b>	<b>Principal activity</b>
Dyson SA	Switzerland	Ordinary	100	Sale and service of domestic and commercial appliances
Dyson Austria GmbH	Austria	Ordinary	100	Sale and service of domestic and commercial appliances
Dyson LLC	Russia	Ordinary	100	Sale and service of domestic and commercial appliances
Dyson Srl	Italy	Ordinary	100	Sale and service of domestic and commercial appliances
Dyson Ireland Ltd	Ireland	Ordinary	100	Sale and service of domestic and commercial appliances
Dyson Singapore Pte. Ltd	Singapore	Ordinary	100	Sale and service of domestic and commercial appliances
Dyson Asia Holdings Pte. Ltd	Singapore	Ordinary	100	Intermediate holding company
Dyson Inc.	USA	Ordinary	100	Sale and service of domestic appliances
Dyson Direct Inc.	USA	Ordinary	100	Sale and service of domestic appliances

**Dyson Limited****Notes to the financial statements for the year ended 31 December 2015 (continued)****12. Investments (continued)**

<b>Company name</b>	<b>Country of incorporation</b>	<b>Shares held</b>	<b>Company holding %</b>	<b>Principal activity</b>
Dyson B2B Inc.	USA	Ordinary	100	Sale and service of commercial appliances
Dyson B2B Tech. Services Inc.	USA	Ordinary	100	Provision of marketing support
Dyson Tech. Services Inc.	USA	Ordinary	100	Provision of marketing support
Dyson Technology Inc.	USA	Ordinary	100	Intermediate holding company
Dyson Manufacturing Sdn Bhd	Malaysia	Ordinary	100	R&D contract services & manufacturing
Dyson Operations Pte. Ltd	Singapore	Ordinary	100	Managing the Group's global product development & manufacturing activities
Dyson Overseas Distribution Ltd	UK	Ordinary	100	Provision of marketing support
Dyson Electrical Engineering (Nanjing) Co. Ltd	China	Ordinary	100	Dormant
Dyson Electrical Technology (Foshan) Ltd	China	Ordinary	100	Dormant
Dyson Electrical Trading (Beijing) Co. Ltd	China	Ordinary	100	Dormant

**Dyson Limited****Notes to the financial statements for the year ended 31 December 2015 (continued)****13. Stock**

	2015	2014
	£m	£m
Raw materials and consumables	0.6	0.3
Finished goods and goods for resale	4.9	1.1
	<b>5.5</b>	<b>1.4</b>

**14. Debtors**

	2015	2014
	£m	£m
Trade debtors	33.8	45.4
Amounts owed by Group undertakings – non-interest bearing	16.4	37.8
Deferred tax asset	0.8	0.8
Other debtors	1.3	17.3
Prepayments and accrued income	2.0	1.2
Corporation tax receivable	5.5	6.7
Group relief receivable from parties under common control	-	0.5
	<b>59.8</b>	<b>109.7</b>

Amounts owed by Group undertakings are unsecured and repayable on demand.

	2015	2014
	£m	£m
<b>Deferred tax comprises:</b>		
Decelerated capital allowances	0.8	0.5
Short term timing differences	0.0	0.3
<b>At 31 December</b>	<b>0.8</b>	<b>0.8</b>

There was no unrecognised deferred tax asset or liability at 31 December 2015 (2014: £nil).

**Dyson Limited****Notes to the financial statements for the year ended 31 December 2015 (continued)****14. Debtors (continued)**

<b>Movement on deferred tax asset</b>	<b>2015</b>	<b>2014</b>
	<b>£m</b>	<b>£m</b>
At 1 January	0.8	1.3
Credited/(charged) to the profit and loss account	0.0	(0.5)
At 31 December	0.8	0.8

**15. Creditors – Amounts falling due within one year**

	<b>2015</b>	<b>2014</b>
	<b>£m</b>	<b>£m</b>
Trade creditors	8.5	4.5
Amounts owed to Group undertakings – interest-bearing (note 8)	104.2	115.5
Amounts owed to Group undertakings – non-interest bearing	27.2	29.2
Other tax and social security	3.2	7.9
Other creditors	2.2	1.3
Accruals and deferred income	34.4	36.7
	<b>179.7</b>	<b>195.1</b>

Amounts owed to Group undertakings are unsecured and repayable on demand.

**16. Creditors – Amounts falling due after more than one year**

	<b>2015</b>	<b>2014</b>
	<b>£m</b>	<b>£m</b>
Long term contracts	0.9	1.0

**Dyson Limited****Notes to the financial statements for the year ended 31 December 2015 (continued)****17. Provisions for liabilities**

	Other £m
At 1 January 2015	23.6
Provisions released during the year	(12.5)
Utilised during the year	(9.9)
<b>At 31 December 2015</b>	<b>1.2</b>

Other provisions in 2014 which were subsequently utilised or released in the year principally comprised costs arising from negotiations and disputes.

**18. Called up share capital**

	2015 £m	2014 £m
<b>Allotted and fully paid share capital</b>		
2,222 ordinary shares of £1	0.0	0.0

**19. Dividends**

	2015 £m	2014 £m
<b>Equity shares</b>		
Dividends paid of £6,751 per ordinary share (2014: £65,257)	15.0	145.0

**20. Ultimate parent undertaking and controlling party**

At 31 December 2015 the immediate parent company was Dyson James Limited, a company incorporated in the United Kingdom. At that date Dyson James Limited was a wholly owned subsidiary of Holkham Group Limited, a company incorporated in the United Kingdom.

The smallest and largest group within which the financial statements of the Company will be consolidated in respect of the year ended 31 December 2015 is that headed by Holkham Group Limited. Copies of the financial statements of Holkham Group Limited will be available from the Company Secretary at Winckworth Sherwood, Minerva House, 5 Montague Close, London, SE1 9BB. The ultimate controlling party is Sir James Dyson by virtue of his controlling interest in the shares of Holkham Group Limited.

**Dyson Limited****Notes to the financial statements for the year ended 31 December 2015 (continued)****21. Related party transactions**

The Company is exempt under the terms of FRS 102 section 33 from disclosing related party transactions with entities which are part of the Group. Other related party transactions during the year (all on normal commercial terms) were as follows:

During the year the Company provided services to and received services from connected companies in the ordinary course of business amounting to £3.0m (2014: £2.5m) and £1.6m (2014: £1.4m). Amounts owed by and to these related parties at the balance sheet date were £0.6m and £0.2m (2014: £0.3m and £0.5m). These amounts all relate to trading balances.

During 2014, the Company pledged £5.0m and paid donations totalling £9.1m for charitable purposes to a connected charity and the balance owed for donations not yet transferred at the end of 2014 was £1.0m. This balance was transferred to a fellow subsidiary in January 2015 as all future donations will be made from that company.

A receivable of £10.0m from a related party was included in the 2014 accounts regarding a potential third party liability. This matter was settled in 2015 and no balances remain in the Company's financial statements at the year end.

**22. Pension costs**

Pension costs of £2.2m (2014: £2.2m) were charged in the year in relation to Group defined contribution pension schemes. £0.2m (2014: £0.2m) was included in other creditors at the year end as amounts payable to the schemes.

**23. Financial Commitments**

The Company had annual commitments under non-cancellable operating leases expiring as follows:

	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>
	<b>Land and buildings</b>	<b>Other</b>	<b>Land and buildings</b>	<b>Other</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Within one year	0.1	0.4	0.1	0.0
Within two to five years	0.1	0.2	-	0.9
Within more than five years	3.5	-	2.3	-
	<b>3.6</b>	<b>0.6</b>	<b>2.4</b>	<b>0.9</b>

## Dyson Limited

### Notes to the financial statements for the year ended 31 December 2015 (continued)

#### 24. Contingent liabilities

At 31 December 2015, the Company and certain other Group companies have jointly and severally guaranteed the borrowings on Group bank facilities totalling £290.0m (2014: £290.0m) drawn by Dyson Finance Limited, and on £135.0m (2014: £nil) of loan notes issued by Dyson Finance Limited under a private placement and on US\$120.0m of loan notes (2014: US\$120.0m) issued by Dyson James Group Limited under a private placement. At 31 December 2015, the drawdown on the Group bank facilities was £55.0m (2014: £125.0m) of which £nil (2014: £nil) is included in the Company's year end balances.

The Group uses derivative instruments to manage foreign exchange and interest rate risk. The Company and certain other Group companies have jointly and severally guaranteed the obligations of Dyson Finance Limited under ISDA agreements with certain bank counterparties.

#### 25. Transition to FRS 102

The Group transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2015.

The impact on equity shareholders' funds at 1 January 2014 and 31 December 2014 and the impact on profit for the year ended 31 December 2014 from the transition to FRS 102 was £nil.

The following were changes in accounting treatment arising from the transition to FRS 102:

- **Computer software**

Under FRS 102, computer software is classified as an intangible fixed asset. Under previous UK GAAP, these were treated as tangible fixed assets. Consequently computer software has been reclassified on the balance sheet.

**Transitional relief**

On transition to FRS 102 from previous UK GAAP, the Company has taken advantage of transitional relief as follows:

- **Investments in subsidiaries**

The Company has elected to treat the carrying amount of investments in subsidiaries under previous UK GAAP at the date of transition as deemed cost on transition to FRS 102.