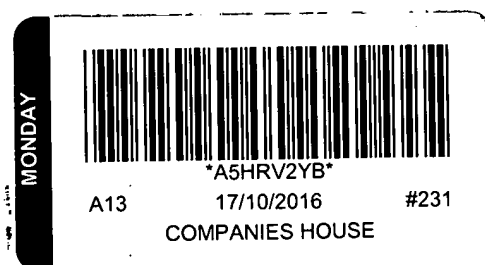


Registered number: 115834

Legrand Electric Limited

Annual report and financial statements

For the Year Ended 31 December 2015



Legrand Electric Limited

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Legrand Electric Limited

Strategic report For the Year Ended 31 December 2015

The directors present their strategic report on the company for the year ended 31 December 2015.

Business review

The company manufactures and sells cable management systems, electrical work station solutions, wiring accessories and electronic security systems for the assisted living market.

The performance of the core business of the company continued to improve in 2015. There was a noticeable apprehension in the market during the first half of the year caused by the UK General Election, however business returned to normal levels in the second half of the year.

The improvement in gross margin performance has been maintained and the directors have maintained their vigilance in containing overhead expenditure.

During the year the company's subsidiary Tynetec Ltd reduced its share capital to £1 and paid a dividend of £7,563,000. Consequently the company has made an impairment provision of £7,692,000 to reduce the value of its investment in Tynetec Ltd to £ Nil.

Principal risks and uncertainties

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval.

The principal risks and uncertainties facing the company are:

Financial risk

The company's operations expose it to a variety of financial risks that include the effects of changes in price risk, credit risk and liquidity risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

Price risk

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made.

Liquidity risk

The company actively maintains an appropriate level of liquidity through borrowing from group companies.

Financial key performance indicators

The company uses the following key performance indicators to monitor and assess performance:

Gross profit as a percentage of sales: 38.0% in the year ended December 31, 2015 and 36.3% in the year ended December 31, 2014

Operating profit as a percentage of sales: 8.0% in the year ended December 31, 2015 and 7.5% in the year ended December 31, 2014

Legrand Electric Limited

Strategic report (continued)


Net assets: Increased from £27.6m at December 31, 2014 to £33.9m at December 31, 2015

Staff turnover: 11.9% for 2015, increase from 10.2% for 2014

Future developments

The company intends to pursue its current policies, and with vigilance on gross margin levels and tight control of overhead expenditure, expects to be profitable in the forthcoming year.

This report was approved by the board on **14th October 2016** and signed on its behalf.



Philip Middlemast
Secretary

Registered office:
Great King Street North
Birmingham
B19 2L

Legrand Electric 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 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 £5,028,000 (2014 - £6,317,000).

The directors do not recommend the payment of a dividend (2014 - £NIL).

Directors

The directors who served during the year and to the date of this report were:

Legrand France SA
A E Chessy SAS
A Burel

Going concern

After making enquiries and considering forecasts and projections, taking into account reasonably possible changes in trading performance, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors also note that the company is in a net current assets position.

Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Research and development activities

Research and development work is performed by the company into product improvement and development. Details of expenditure on research and development incurred in the year are given in note 13 of the financial statements.

Legrand Electric Limited

Directors' report For the Year Ended 31 December 2015 Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Employees are encouraged to become involved in the company's performance.

Disabled employees

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, where possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Qualifying third party indemnity provisions

No qualifying third party indemnity provisions have been put in place for the benefit of any directors.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

On 29 April 2016 the Company acquired a 100% shareholding in Jontek Limited, a company that provides systems for assisted living monitoring and response centres.

On 24 May 2016 the Company acquired a 100% shareholding in the CPE Topco Limited group of companies that manufactures electronic timers, energy saving lighting controls and associated products.

Auditor

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Differences between market and balance sheet value of land

The directors are of the opinion that the net book value of land and buildings at 31 December 2015 exceeded its market value by approximately £1,617,000. No provision for has been made in the financial statements in respect of this shortfall.

This report was approved by the board on **14th October 2016** and signed on its behalf.



Philip Middlemast
Secretary

Legrand Electric Limited

Independent auditor's report to the members of Legrand Electric Limited

We have audited the financial statements of Legrand Electric Limited for the year ended 31 December 2015 which comprise the Profit and loss account, the Statement of comprehensive income, the Balance sheet, the Statements of changes in equity and the related notes 1 to 30. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in 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 might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statement

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 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.

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.

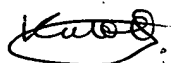
Legrand Electric Limited

Independent auditor's report to the members of Legrand Electric Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Kate Hadley (Senior statutory auditor)

for and on behalf of
Deloitte LLP

Chartered Accountants and Statutory Auditors

Birmingham, UK

Date:

14 October 2016

Legrand Electric Limited

Profit and loss account For the Year Ended 31 December 2015

	Note	2015 £000	As restated 2014 £000
Turnover	3	68,748	68,622
Cost of sales		(42,641)	(43,703)
Gross profit		26,107	24,919
Distribution costs		(10,159)	(9,873)
Administrative expenses		(10,478)	(9,913)
Operating profit		5,470	5,133
Income from shares in group undertakings		7,563	3,667
Amounts written off investments		(7,691)	(2,209)
Interest receivable and similar income	9	79	52
Interest payable and similar charges	10	(76)	(156)
Other finance costs		(346)	(273)
Profit on ordinary activities before taxation		4,999	6,214
Taxation on profit on ordinary activities	12	29	103
Profit for the year		5,028	6,317

All amounts relate to continuing operations.

The notes on pages 12 to 40 form part of these financial statements.

Legrand Electric Limited

**Statement of comprehensive income
For the Year Ended 31 December 2015**

		As restated
	2015	2014
Note	£000	£000
Profit for the financial year	5,028	6,317
Other comprehensive income		
Actuarial gain/(loss) on defined benefit schemes	1,452	(4,948)
Capital contribution in respect of share options	(196)	92
Other comprehensive income for the year	1,256	(4,856)
Total comprehensive income for the year	6,284	1,461

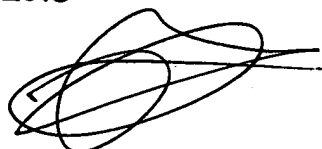
Legrand Electric Limited
Registered number:115834

Balance sheet
As at 31 December 2015

	Note	2015 £000	As restated 2014 £000
Fixed assets			
Intangible assets	13	20,437	21,667
Tangible assets	14	12,067	11,583
Investments	15	2,585	10,277
		<u>35,089</u>	<u>43,527</u>
Current assets			
Stocks	16	8,765	8,562
Debtors: Amounts falling due after more than one year	17	532	153
Debtors: Amounts falling due within one year	17	25,858	23,822
Cash at bank and in hand		2,929	2,668
		<u>38,084</u>	<u>35,205</u>
Creditors: Amounts falling due within one year	18	(19,923)	(18,870)
Net current assets		<u>18,161</u>	<u>16,335</u>
Total assets less current liabilities		<u>53,250</u>	<u>59,862</u>
Creditors: Amounts falling due after more than one year	19	(11,024)	(21,611)
Provision for liabilities		(8,288)	(10,597)
Net assets		<u><u>33,938</u></u>	<u><u>27,654</u></u>
Capital and reserves			
Called up share capital	27	56,110	56,110
Other reserves		306	502
Profit and loss account		(22,478)	(28,958)
Shareholders' funds		<u><u>33,938</u></u>	<u><u>27,654</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
14th October 2016

A Burel
Director



The notes on pages 12 to 40 form part of these financial statements.

Legrand Electric Limited

**Statement of changes in equity
As at 31 December 2015**

	Share capital £000	Other reserves £000	Profit and loss account £000	Total share- holders' funds £000
At 1 January 2015	56,110	502	(28,958)	27,654
Comprehensive income for the year				
Profit for the year	-	-	5,028	5,028
Actuarial gains on pension scheme	-	-	1,452	1,452
Capital contribution in respect of share options	-	(196)	-	(196)
Other comprehensive income for the year	-	(196)	1,452	1,256
Total comprehensive income for the year	-	(196)	6,480	6,284
Total contributions by and distributions to owners	-	-	-	-
At 31 December 2015	56,110	306	(22,478)	33,938

Legrand Electric Limited

**Statement of changes in equity
As at 31 December 2014**

	Share capital £000	Other reserves £000	Profit and loss account £000	Total share- holders' funds £000
At 1 January 2014	56,110	410	(30,327)	26,193
Comprehensive income for the year				
Profit for the year	-	-	6,317	6,317
Actuarial losses on pension scheme	-	-	(4,948)	(4,948)
Capital contribution in respect of share options	-	92	-	92
Other comprehensive income for the year	-	92	(4,948)	(4,856)
Total comprehensive income for the year	-	92	1,369	1,461
Total contributions by and distributions to owners	-	-	-	-
At 31 December 2014	56,110	502	(28,958)	27,654

The notes on pages 12 to 40 form part of these financial statements.

**Notes to the financial statements
For the Year Ended 31 December 2015**

1. Accounting policies

General information and basis of accounting

Legrand Electric Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 2. The nature of the company's operations and its principal activities are set out in the strategic report on pages 1 and 2. The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

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

Information on the impact first-time adoption of FRS 102 is given in note 30.

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates.

The following principal accounting policies have been applied:

1.1 Going concern

After making enquiries and considering forecasts and projections, taking into account reasonably possible changes in trading performance, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors also note that the company is in a net current assets position.

Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

1.2 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.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Freehold buildings	-	40 years
Freehold land	-	Not depreciated
Plant & machinery	-	8 to 10 years
Motor vehicles	-	5 years
Fixtures & fittings	-	5 to 10 years
Computer hardware	-	5 years
Other assets	-	8 to 15 years

**Notes to the financial statements
For the Year Ended 31 December 2015**

1. Accounting policies (continued)

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 the Profit and loss account.

1.3 Impairment of assets

Fixed assets and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognised for the amount by which the carrying amount of the asset exceeds recoverable amount. The recoverable amount is the higher of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

The impairment loss is charged to the profit and loss account. Any subsequent increase in recoverable amount is recognised in the profit and loss account.

1.4 Share options

From 2007 to 2012 the ultimate parent entity Legrand SA granted rights over its equity instruments to the company's employees. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. This share-based payment arrangement is accounted for as equity-settled and therefore is measured at fair value at the date of grant as increases in equity over the vesting period of the award, with a corresponding charge to the profit and loss based on an estimate of the number of shares that will eventually vest. The increase in the equity is considered as a capital contribution received from the parent company.

Share options granted subsequent to April 5, 1999 under unapproved schemes are subject to employers' and employees' national insurance on the gain made on exercise of such options. Accordingly to UITF a provision is made at year end on outstanding share options that are expected to be exercised.

1.5 Consolidation

The company is a wholly owned subsidiary of Legrand UK Limited, a company incorporated in the United Kingdom, which in turn is owned by Legrand France SA which is wholly owned by Legrand SA, a company incorporated in France. As permitted by section 400 of the Companies Act 2006, the company is exempt from the requirement to prepare consolidated financial statements.

Legrand SA's consolidated financial statements are publicly available. See note 29.

**Notes to the financial statements
For the Year Ended 31 December 2015**

1. Accounting policies (continued)

1.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, which have been classified as fixed asset investments as the company intends to hold them on a continuing basis are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

1.7 Stocks

Stocks and work in progress are stated at the lower of cost and net realisable amount. In general, cost is determined on a first in first out basis and includes all direct expenditure and production overheads based on the normal level of activity.

Net realisable amount is the price at which the stock can be realised in the normal course of business after allowing for the costs of realisation and, where appropriate, the cost of conversion from its existing state to a finished condition.

Provision is made for obsolete, slow moving and defective stock.

1.8 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

1.9 Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable.

Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

**Notes to the financial statements
For the Year Ended 31 December 2015**

1. Accounting policies (continued)

1.10 Taxation

The charge or credit for taxation is based on the result for the period as adjusted for disallowable and non taxable items.

Consideration receivable or payable in respect of losses surrendered or claimed by way of group relief is dealt with in the profit and loss account.

1.11 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

**Notes to the financial statements
For the Year Ended 31 December 2015**

1. Accounting policies (continued)

1.12 Pensions

The company operates 3 defined contribution plans 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 payments 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.

The company also operates three defined benefit pension schemes, the assets of which are held separately from those of the company in independently administered funds.

Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent terms and currency to the liability. The increase in the present value of the liabilities of the company's defined benefit pension schemes expected to arise from employee service in the period is charged to operating profit. The expected returns on the schemes' assets and the increase during the year in the present values of the schemes' liabilities arising from the passage of time are included in other finance income/charges. Actuarial gains and losses are recognised in the statement of other comprehensive income.

Pension schemes' surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet net of the related deferred tax.

1.13 Research and development

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset and amortised over the period during which the Group is expected to benefit. This period is expected to be five years.. Provision is made for any impairment.

Development costs have been capitalised in accordance with FRS 102 section 18 Intangible Assets other than goodwill and are therefore not treated, for dividend purposes, as a realised loss.

1.14 Cash flow statement

The ultimate parent company is Legrand SA, a company incorporated in France whose accounts are publicly available. Consequently, the company has taken advantage of the exemption given in FRS 102 section 7 and accordingly, a separate cash flow statement is not presented for the company.

1.15 Related party disclosure

The company is exempt under the terms of FRS 102 section 33 from disclosing related party transactions with entities that are part of the Legrand SA group or investees of the Legrand SA group.

**Notes to the financial statements
For the Year Ended 31 December 2015**

1. Accounting policies (continued)

1.16 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses.

Goodwill is amortised over its estimated useful economic life of 20 years using the straight line method.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the balance sheet date.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed 5 years.

1.17 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.

2. Critical judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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.

2.1 Impairment of goodwill, fixed asset investments and other assets

Assessing whether goodwill, fixed asset investments and other assets are impaired requires the directors to exercise judgment with respect to existence of indicators of impairment. To perform such assessment the directors have considered both, internal and external, sources of information and concluded that there are no indicators of further impairment of company's goodwill balance, fixed asset investments or amounts owed by group undertakings below their carrying values at the balance sheet date.

**Notes to the financial statements
For the Year Ended 31 December 2015**

2.2 Pension assumptions

The company operates 3 defined benefit pension schemes and the directors are required to set a number of actuarial assumptions in order to perform the valuation of the schemes' liabilities as at year end. Due to the nature of such assumptions and the significant level of sensitivity of the schemes' liabilities to them, the directors engage qualified actuaries to assist with determining these and performing valuation in accordance with FRS 102.

2.3 Non-recognition of deferred tax asset

Due to the nature of the industry that the company operates in, as well as the effects of the 'No' vote in the 'Brexit' referendum in June 2016, there is high level of uncertainty around the level of taxable profits the company will generate in the foreseeable future. The directors, therefore, have taken the decision not to recognise a deferred tax asset until they have confidence that sufficient taxable profits will be generated to be offset against the company's tax losses brought forward.

2.4 Provision for product claims and warranties

In case of issues with its products the company could be subject to claims from the customers. The directors monitor indicators of potential issues and, where such noted, assess the potential exposure of each issue and provide for these based on the estimated faulty products and expected cost per claim. Cost per claim is initially determined with the help of external consultant and later monitored against actual costs incurred and adjusted if these are significantly different.

3. Analysis of turnover

All turnover arises from the company's principal activities of the sale of electrical cable management systems, electrical work station solutions, electrical wiring accessories and electronic security systems which constitute a single class of business.

Analysis of turnover by market:

	2015 £000	2014 £000
United Kingdom	59,515	57,578
Rest of the world	9,233	11,044
	<u>68,748</u>	<u>68,622</u>

Legrand Electric Limited

Notes to the financial statements For the Year Ended 31 December 2015

4. Operating profit

The operating profit is stated after charging:

	2015 £000	2014 £000
Amortisation - intangible fixed assets	1,348	1,349
Depreciation of tangible fixed assets owned by the company	1,585	1,413
Operating lease rentals		
- plant and machinery	825	769
- other	598	612
Amortisation of deferred research and development expenditure	14	11
Research and development expenditure written off	1,011	984
Exchange gains	(141)	(137)

During the year, no director received any emoluments (2014 - £NIL).

5. Auditor's remuneration

	2015 £000	2014 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	74	75

There were no non-audit services provided by the Company's auditor (2014: £NIL).

6. Employees

Staff costs were as follows:

	2015 £000	2014 £000
Wages and salaries	15,946	14,801
Social security costs	1,382	1,314
Cost of defined benefit schemes	358	371
Cost of defined contribution schemes	730	656
	18,416	17,142

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

	2015 No.	2014 No.
Production	301	282
Selling and distribution	111	115
Administration	123	120
	535	517

Legrand Electric Limited

Notes to the financial statements For the Year Ended 31 December 2015

7. Directors' remuneration

No remuneration was paid to the directors specifically for their services to the company in either year. There were no retirement benefits accruing to the directors (2014 - none). Each of the directors receives remuneration from other companies in the Legrand SA group of companies.

8. Income from shares in group undertakings

	2015 £000	2014 £000
Income from fixed asset investments	7,563	3,667
	<u>7,563</u>	<u>3,667</u>

2015 - Dividend received from Tynetec Ltd (2014 - Dividend received from Tenby Electrical Accessories Private Limited (Singapore)).

9. Interest receivable and similar income

	2015 £000	2014 £000
Interest receivable on loans to group companies	77	51
Other interest receivable	2	1
	<u>79</u>	<u>52</u>

10. Interest payable and similar charges

	2015 £000	2014 £000
Bank and other interest payable	-	3
Interest payable on loans from group undertakings	76	153
	<u>76</u>	<u>156</u>

11. Other finance costs

	2015 £000	2014 £000
Net interest cost on pension obligations	346	273
	<u>346</u>	<u>273</u>

Legrand Electric Limited

Notes to the financial statements For the Year Ended 31 December 2015

12. Taxation on profit on ordinary activities

	2015 £000	2014 £000
Corporation tax		
Current tax charge/(credit) on profits for the year	16	(2)
Corporation tax - adjustment re prior years	(45)	(101)
	<u>(29)</u>	<u>(103)</u>
Total current tax	<u>(29)</u>	<u>(103)</u>

Factors affecting tax charge for the year

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

	2015 £000	2014 £000
Profit on ordinary activities before tax	<u>4,999</u>	<u>6,213</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%)	1,012	1,336
Effects of:		
Fixed asset differences	251	341
Expenses not deductible for tax purposes	1,680	1,077
Income not taxable for tax purposes	(1,531)	(788)
Adjustments to tax charge in respect of prior periods	(45)	(113)
Utilisation of losses brought forward	<u>(1,396)</u>	<u>(1,956)</u>
Total tax charge for the year	<u>(29)</u>	<u>(103)</u>

Factors that may affect future tax charges

The Budget 2013 introduced a reduction in the main rate of corporation tax from 23% to 21% with effect from 1 April 2014 and to 20% with effect from 1 April 2015. On 8 July 2015 further reductions to 19% from 1 April 2017 and to 18% from 1 April 2020 were announced.

This legislation was substantively enacted on 26 October 2015 and as such, in accordance with FRS 102, the rate of 18% is used for the calculation of the deferred tax position at 31 December 2015. On 16 March 2016 further reduction to 17% in 2020 was announced, but as this was not substantively enacted at the balance sheet date it is not taken into account in respect of deferred tax balances held at 31 December 2015. If enacted as announced, the value of the unrecognised deferred tax assets would reduce by £112,000.

Notes to the financial statements
For the Year Ended 31 December 2015

13. Intangible fixed assets

	Goodwill £000	Intellectual property & Development expenditure £000	Total £000
Cost			
At 1 January 2015	26,964	824	27,788
Additions	-	132	132
At 31 December 2015	26,964	956	27,920
Amortisation			
At 1 January 2015	5,310	811	6,121
Charge for the year	1,348	14	1,362
At 31 December 2015	6,658	825	7,483
Net book value			
At 31 December 2015	20,306	131	20,437
At 31 December 2014	21,654	13	21,667

Goodwill has arisen on the acquisition of the businesses, assets and liabilities from subsidiary companies.

Development costs have been capitalised in accordance with the requirements of FRS 102 and are therefore not treated, for dividend purposes, as a realised loss.

Legrand Electric Limited

**Notes to the financial statements
For the Year Ended 31 December 2015**

14. Tangible fixed assets

	Freehold property £000	Motor vehicles, computer hardware, tooling and others £000	Assets under construction £000	Total £000
Cost or valuation				
At 1 January 2015	9,071	17,198	565	26,834
Additions	56	907	1,110	2,073
Disposals	-	(281)	-	(281)
Transfers between classes	61	766	(827)	-
At 31 December 2015	9,188	18,590	848	28,626
Depreciation				
At 1 January 2015	2,869	12,382	-	15,251
Charge owned for the period	202	1,383	-	1,585
Disposals	-	(277)	-	(277)
At 31 December 2015	3,071	13,488	-	16,559
At 31 December 2015	6,117	5,102	848	12,067
At 31 December 2014	6,202	4,816	565	11,583

15. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2015	38,123
At 31 December 2015	38,123
Impairment	
At 1 January 2015	27,847
Charge for the period	7,691
At 31 December 2015	35,538
At 31 December 2015	2,585
At 31 December 2014	10,277

Legrand Electric Limited

Notes to the financial statements For the Year Ended 31 December 2015

15. Fixed asset investments (continued)

During the year the company's subsidiary Tynetec Ltd reduced its capital and net asset value to £1. Consequently the company has made an impairment provision to reduce the value of its investment in Tynetec Ltd to £ Nil.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Tynetec Ltd	England	Ordinary	100 %	Dormant
Electrak Holdings Ltd	England	Ordinary	100 %	Parent of a group of dormant companies
Electrak Internat. Ltd*	England	Ordinary	100 %	Dormant
Electrak Ltd*	England	Ordinary	100 %	Intermediate holding company
Electrak Overseas Ltd**	England	Ordinary	100 %	Dormant

* - wholly owned subsidiary of Electrak Holdings Limited

** - wholly owned subsidiary of Electrak Limited

In the opinion of the directors the value of the investments, including indebtedness, is supported by their underlying assets.

16. Stocks

	2015 £000	2014 £000
Raw materials and consumables	3,171	3,359
Work in progress	521	750
Finished goods and goods for resale	5,073	4,453
	<u>8,765</u>	<u>8,562</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

Legrand Electric Limited

Notes to the financial statements For the Year Ended 31 December 2015

17. Debtors

	2015 £000	2014 £000
Due after more than one year		
Pension schemes in surplus (Note 21)	532	153
	532	153
	2015 £000	2014 £000
Due within one year		
Trade debtors	12,956	13,126
Amounts owed by group undertakings	649	1,106
Loans to group undertakings	11,563	8,984
Other debtors	106	35
Prepayments and accrued income	552	539
Corporation tax recoverable	32	32
	25,858	23,822

The loans to group undertakings are unsecured and repayable on demand. They bear interest at a rate of 0.35% above 'ICE LIBOR GBP 1 month' (2014 - 0.35% above EURIBOR).

The other amounts owed by group undertakings relate to trade sales and are payable on normal trade credit terms.

Legrand Electric Limited

Notes to the financial statements For the Year Ended 31 December 2015

18. Creditors: Amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	5,839	6,355
Amounts owed to group undertakings	3,263	2,925
Corporation tax - group relief payable	10	10
Corporation tax	-	13
Taxation and social security	1,522	1,533
Other creditors	1,061	1,461
Accruals and deferred income	8,228	6,573
	<u>19,923</u>	<u>18,870</u>

The amounts owed to group undertakings relate to trade purchases and are repayable on normal trade credit terms.

19. Creditors: Amounts falling due after more than one year

	2015 £000	2014 £000
Amount owed to group company	470	470
Amounts owed to subsidiary undertakings	3,484	11,047
Amount owed to intermediate holding company	7,070	10,094
	<u>11,024</u>	<u>21,611</u>

All amounts due to group companies are unsecured and are repayable on demand.

The amounts owed to a group company and subsidiary undertakings are interest free.

The amount owed to an intermediate holding company bears interest at a rate of 0.8% above LIBOR.

20. Capital commitments

At 31 December 2015 the Company had capital commitments as follows:

	2015 £000	2014 £000
Approved but not contracted for	<u>88</u>	<u>71</u>

Legrand Electric Limited

Notes to the financial statements For the Year Ended 31 December 2015

21. Provision for liabilities

	Pension plans £000
Movements on provisions during the year were:	
At 31 December 2014 (Note 22)	10,597
Long term debtor 31 December 2014 (Note 17)	(153)
Charged to Profit & loss account	693
Credited to Statement of comprehensive income	(1,452)
Employer contributions	(1,929)
Long term debtor 31 December 2015 (Note 17)	532
At 31 December 2015 (Note 22)	8,288

The provision for liabilities relates to pension plans. Details of these plans are given in Note 22.

22. Pension plans

The company operates three defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £741,000 (2014 - £623,000). Contributions totalling £63,000 (2014 - £74,000) were payable to the funds at the balance sheet date.

The company is the principal employer for three defined benefit pension schemes (the Legrand UK Limited Pension Scheme, the First Olympian Securities Group Pension Scheme and the Legrand Ireland Limited Retirement and Death Benefits Plan). The assets of all of the schemes are held in independently administered funds. Contributions to the schemes are determined on the basis of actuarial valuations carried out by independent qualified actuaries at least every three years. The schemes are closed to new entrants and the First Olympian Securities Group Pension Scheme and the Legrand Ireland Limited Retirement and Death Benefits Plan are closed to future accrual

Summary of defined benefit schemes

	2015 £000	2014 £000
Fair value of plan assets	67,369	68,002
Present value of plan liabilities	(75,125)	(78,446)
Net pension scheme liability	(7,756)	(10,444)

Legrand Electric Limited

Notes to the financial statements For the Year Ended 31 December 2015

The amounts recognised in the Profit and loss account are as follows:

	2015 £000	2014 £000
Current service cost	358	371
Net interest cost on pension liabilities	346	273
Currency (gain)/loss on Legrand Ireland Retirement and death Benefits Plan	(11)	7
	<u>693</u>	<u>651</u>

Reconciliation of present value of plan liabilities:

	2015 £000	2014 £000
Present value of plan liabilities at 1 January 2015	78,446	67,408
Current service cost	358	371
Interest on pension liabilities	2,666	2,909
Contributions by scheme participants	47	47
Actuarial (gain)/loss	(3,005)	9,946
Currency exchange gain on Legrand Ireland Retirement and Death Benefits Plan	(192)	(192)
Benefits paid	(3,195)	(2,043)
Present value of plan liabilities at 31 December 2015	<u>75,125</u>	<u>78,446</u>

Reconciliation of fair value of plan assets:

	2015 £000	2014 £000
Fair value of plan assets at 1 January 2015	68,002	60,466
Expected return on plan assets	2,320	2,636
Actuarial (loss)/gain	(1,553)	4,998
Contributions by employer	1,929	2,097
Contributions by scheme participants	47	47
Currency exchange loss on Legrand Ireland Retirement and Death Benefits Plan	(181)	(199)
Benefits paid	(3,195)	(2,043)
Fair value of plan assets at 31 December 2015	<u>67,369</u>	<u>68,002</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of other comprehensive income was £10,522,000 (2014 - £11,974,000).

Legrand Electric Limited

Notes to the financial statements For the Year Ended 31 December 2015

Pension schemes in deficit

	2015 £000	2014 £000
Legrand UK Limited Pension Scheme	(8,288)	(10,507)
Legrand Ireland Limited Retirement and Death Benefits Scheme	-	(90)
Provision for liabilities (Note 21)	(8,288)	(10,597)

Pension schemes in surplus

	2015 £000	2014 £000
First Olympian Securities Group Pension Scheme	196	153
Legrand Ireland Limited Retirement and Death Benefits Scheme	336	-
Debtor due after more than one year (Note 17)	532	153

Legrand UK Limited Pension Scheme

The company operates a defined benefit scheme in the United Kingdom. A full actuarial valuation was carried out as at April 6, 2015 and updated to December 31, 2015 by Capita Hartshead a qualified independent actuary.

The major assumptions used by the actuary were:

	2015 £000	2014 £000	2013 £000
Rate of increase in salaries	4.00% pa	4.00% pa	4.40% pa
LPI pension increases	2.90% pa	2.90% pa	3.20% pa
Rate of increase of deferred pensions	2.10% pa	2.10% pa	2.50% pa
Inflation assumption	2.10% pa	2.10% pa	2.50% pa
Discount rate	3.70% pa	3.50% pa	4.40% pa

The company contributions during the year amounted to £1,872,000 (2014 - £2,040,000) and the agreed company contribution rate for the coming year is 18.8%. Since April 2005 the company has made additional contributions to the scheme. From August 2013 this amount has been £138,000 per month. The total contributions expected to be made to the scheme by Legrand Electric Limited in the year to December 31, 2016 is £1,900,000. Expenses and death in service premiums will be paid by the company as they fall due.

The scheme is closed to new entrants. In accordance with FRS 102, the valuation of the scheme's liabilities has been determined using the projected unit method. In these circumstances the use of this method can lead to the contribution rate underlying the current service cost increasing in future years.

The current service cost as a percentage of pensionable salaries will increase as members of the plan approach retirement.

Legrand Electric Limited

Notes to the financial statements For the Year Ended 31 December 2015

Mortality assumptions

The principal mortality assumptions used to calculate the plan's liabilities under FRS 102 reflect the characteristics and experience of the membership of the plan.

The mortality tables used are :

2015 - 110% of S2PA (YOB) CMI 2014 (2014: 110% of S1NA (YOB) CMI 2010)

The minimum future improvements in life expectancy are:

2015 - 1.0% pa for males and females (2014: 1.0% pa for males and females)

Other mortality assumptions are shown below:

	2015	2014
Male member aged 65 (current life expectancy)	22.1 years	21.7 years
Female member aged 65 (current life expectancy)	24.1 years	24.1 years
Male member aged 45 (life expectancy at age 65)	23.4 years	23.0 years
Female member aged 45 (life expectancy at age 65)	25.6 years	25.6 years

Funded status

The funded status of the plan is as follows:

	2015 £000	2014 £000
Fair value of plan assets	64,349	64,043
Present value of plan liabilities	(72,637)	(74,550)
Net deficit recognised	(8,288)	(10,507)

Allocation of plan assets

	% at 31 Dec 2015	% at 31 Dec 2014
Equities	45.6	45.0
Bonds	36.0	36.4
Gilts	18.3	18.6
	100.0	100.0

Plan assets do not include any of the company's own financial instruments or any property occupied by the company.

Notes to the financial statements
For the Year Ended 31 December 2015

History of amounts recognised in the statement of other comprehensive income

The following table provides a five year history of the plan deficit and experience gains and losses recognised in the statement of other comprehensive income:

	2015 £000	2014 £000	2013 £000	2012 £000	2011 £000
Present value of plan liabilities at December 31	(72,637)	(74,550)	(64,177)	(64,169)	(59,733)
Fair value of plan assets at December 31	64,349	64,043	56,861	54,457	49,133
Plan deficit	(8,288)	(10,507)	(7,316)	(9,712)	(10,600)
Actuarial (loss)/gain on plan assets	(1,696)	3,922	(321)	2,537	92
Percentage of plan assets	(3%)	6%	(1%)	5%	0%
Experience (loss)/gain on plan liabilities	2,729	(184)	(446)	3,130	(470)
Percentage of plan liabilities	4%	0%	(1%)	5%	(1%)

First Olympian Securities Group Pension Scheme

On January 1, 2007 the company became responsible for the First Olympian Securities Group Pension Scheme, being the pension scheme of its liquidated sister company, Wiremold Limited. The scheme is a defined benefit scheme in the United Kingdom. A full actuarial valuation was carried out as at May 1, 2013 and updated to December 31, 2015 by Aon Hewitt a qualified independent actuary.

The major assumptions used by the actuary were:

	2015	2014	2013
Rate of increase in salaries	N/A	N/A	N/A
LPI pension increases	2.95% pa	2.95% pa	3.20% pa
Rate of increase of deferred pensions	3.10% pa	3.10% pa	3.40% pa
Inflation assumption	3.10% pa	3.10% pa	3.40% pa
Discount rate	3.60% pa	3.60% pa	4.40% pa

The company contributions during the year amounted to £57,000 (2014 - £57,000). The scheme is closed to future accrual. £4,750 per month has been paid to the scheme since April 2005. The total contributions expected to be made to the scheme by Legrand Electric Limited in the year to December 31, 2016 is £57,000. Expenses and death in service premiums will be paid by the company as they fall due.

The scheme is closed to new entrants and future accrual. In accordance with FRS 102, the valuation of the scheme's liabilities has been determined using the projected unit method. In these circumstances the use of this method can lead to the contribution rate underlying the current service cost increasing in future years.

Legrand Electric Limited

Notes to the financial statements For the Year Ended 31 December 2015

Mortality assumptions

The principal mortality assumptions used to calculate the plan's liabilities under FRS 102 reflect the characteristics and experience of the membership of the plan.

The mortality tables used are :

2015 - 110% of S1N (YOB) CMI 2011 (2014: 110% of S1N (YOB) CMI 2011)

The minimum future improvements in life expectancy are:

2015 - 1.0% pa for males and females (2014: 1.0% pa for males and females)

Other mortality assumptions are shown below:

	2015	2014
Male member aged 65 (current life expectancy)	21.2 years	21.2 years
Female member aged 65 (current life expectancy)	23.6 years	23.6 years
Male member aged 45 (life expectancy at age 65)	22.5 years	22.5 years
Female member aged 45 (life expectancy at age 65)	25.2 years	25.2 years

Funded status

The funded status of the plan is as follows:

	2015 £000	2014 £000
Fair value of plan assets	982	932
Present value of plan liabilities	(786)	(779)
Net surplus recognised	196	153

Allocation of plan assets

	% at 31 Dec 2015	% at 31 Dec 2014
Bonds	88.2	91.2
Other assets	11.8	8.8
	100.0	100.0

Plan assets do not include any of the company's own financial instruments or any property occupied by the company.

**Notes to the financial statements
For the Year Ended 31 December 2015**

History of amounts recognised in the statement of other comprehensive income

The following table provides a five year history of the plan surplus and experience gains and losses recognised in the statement of other comprehensive income:

	2015 £000	2014 £000	2013 £000	2012 £000	2011 £000
Present value of plan liabilities at 31 December	(786)	(779)	(703)	(715)	(644)
Fair value of plan assets at 31 December	982	932	742	834	779
Plan surplus	196	153	39	119	135
Actuarial (loss)/gain on plan assets	(20)	134	(114)	(1)	119
Percentage of plan assets %	(2%)	14%	(15%)	-	15%
Experience gain/(loss) on plan liabilities	7	(52)	4	(53)	(47)
Percentage of plan liabilities %	1%	(7%)	1%	(7%)	(7%)

Legrand Ireland Limited Retirement and Death Benefits Plan

On July 31, 2009 the company became responsible for the Legrand Ireland Limited Retirement and Death Benefits Plan, being the pension scheme of its sister company, Legrand Ireland Limited. The scheme is a defined benefit scheme in the Republic of Ireland. A full actuarial valuation was carried out as at January 1, 2015 and updated to 31 December, 2015 by a qualified independent actuary at Lane Clark & Peacock Ireland Limited.

The major assumptions used by the actuary were:

	2015	2014	2013
Rate of increase in salaries	N/A	N/A	N/A
LTI pension increases	1.60% pa	1.60% pa	2.00% pa
Rate of increase of deferred pensions	1.60% pa	1.60% pa	2.00% pa
Inflation assumption	1.60% pa	1.60% pa	2.00% pa
Discount rate	2.50% pa	2.10% pa	3.75% pa

The company contributions during the year amounted to £ Nil (2014 - £ Nil). The total contributions expected to be made to the scheme by Legrand Electric Limited in the year to December 31, 2016 is EUR Nil as no request for contributions has been made by the scheme trustees. Expenses and death in service premiums will be paid by the company as they fall due.

The scheme is closed to new entrants. In accordance with FRS 102, the valuation of the scheme's liabilities has been determined using the projected unit method. In these circumstances the use of this method can lead to the contribution rate underlying the current service cost increasing in future years. However, as long as the scheme is closed to future accrual, there is no service cost to consider in future years.

The deficit of the scheme and net pension liability at July 31, 2009 was £129,000. This deficit was incorporated into the financial statements of the company when the assets and liabilities of Legrand Ireland Limited were transferred to the company.

Notes to the financial statements
For the Year Ended 31 December 2015

Mortality assumptions

The principal mortality assumptions used to calculate the plan's liabilities under FRS 102 reflect the characteristics and experience of the membership of the plan.

The mortality pre and post retirement tables used are :

2015 58% ILT15 (males) 62% ILT15 (females) (2014: 62% PNML00 (males) 70% PNFL00 (females))

Age difference between spouses:

2015 - A male is assumed to be 3 years older than his spouse (2014: A male is assumed to be 3 years older than his spouse)

Other mortality assumptions are shown below:

	2015	2014
	Yes	Yes
Allowance for future improvements in mortality	21.1 years	22.0 years
Expected life expectancy for a 65 year old male in 2008	23.6 years	23.7 years
Expected life expectancy for a 65 year old male in 2028	No	No
Withdrawals	Current %	Current %
Percentage married		

Funded status

The funded status of the plan is as follows:

	2015 £000	2014 £000
Fair value of plan assets	2,038	3,027
Present value of plan liabilities	(1,702)	(3,117)
Net surplus/(deficit) recognised	336	(90)

Allocation of plan assets

	% at 31 Dec 2015	% at 31 Dec 2014
Equities	36.7	32.6
Fixed interest	63.3	67.4
	100.0	100.0

Plan assets do not include any of the company's own financial instruments or any property occupied by the company.

Notes to the financial statements
For the Year Ended 31 December 2015

History of amounts recognised in the statement of other comprehensive income

The following table provides a five year history of the plan surplus/(deficit) and experience gains and losses recognised in the statement of other comprehensive income:

	2015 £000	2014 £000	2013 £000	2012 £000	2011 £000
Present value of plan liabilities at December 31	(1,702)	(3,117)	(2,528)	(2,571)	(1,980)
Fair value of plan assets at December 31	2,038	3,027	2,863	2,460	2,220
Plan surplus/(deficit)	336	(90)	335	(111)	240
Actuarial gain on plan assets	163	320	35	190	208
Percentage of plan assets	8%	11%	1%	8%	9%
Experience gain/(loss) on plan liabilities	269	745	(135)	600	(155)
Percentage of plan liabilities	16%	24%	(5%)	30%	(8%)

23. Commitments under operating leases

At 31 December 2015 the Company had total future minimum lease payments under non-cancellable operating leases as follows:

	2015 £000	2014 £000
Land and buildings		
Not later than 1 year	489	575
Later than 1 year and not later than 5 years	1,196	1,122
Total	1,685	1,697
	2015 £000	2014 £000
Other assets		
Not later than 1 year	593	590
Later than 1 year and not later than 5 years	1,005	716
Total	1,598	1,306

Legrand Electric Limited

Notes to the financial statements For the Year Ended 31 December 2015

24. Deferred taxation

As at 1 January and 31 December 2015

£ NIL

The unrecognised deferred taxation asset at 18% (2014 - 20%) is made up as follows:

	Amounts unrecognised	
	2015	2014
	£000	£000
Potential deferred tax assets comprise:		
Depreciation in excess of capital allowances	1,969	1,901
Short term timing differences	353	487
Pension provision	1,396	2,089
Losses carried forward	7,521	9,074
	<u>11,239</u>	<u>13,551</u>

The deferred tax asset above has not been recognised due to uncertainty regarding whether there will be sufficient taxable profits against which the asset will crystallise in the foreseeable future.

25. Reserves

Other reserves

The other reserves represent the value of share options that remain to be exercised by the company's employees under the Legrand SA 'Plan d'attribution d' actions gratuites at d' options 2007'.

Profit & loss account

The profit and loss reserve represents cumulative profits or losses net of dividends paid and other adjustments.

26. Post balance sheet events

On 29 April 2016 the Company acquired a 100% shareholding in Jontek Limited, a company that provides systems for assisted living monitoring and response centres.

On 24 May 2016 the Company acquired a 100% shareholding in the CPE Topco Limited group of companies that manufactures electronic timers, energy saving lighting controls and associated products.

Legrand Electric Limited

Notes to the financial statements For the Year Ended 31 December 2015

27. Share capital

	2015 £000	2014 £000
Allotted, called up and fully paid		
112,219,658 Ordinary shares of £0.50 each	<u>56,110</u>	<u>56,110</u>

28. Share based payments

The Legrand SA free share and share option plan 'Plan d'attribution d' actions gratuites et d' options 2007' was introduced in May 2007. Under the free share and stock option plan the committee can grant free shares and share options over shares in the listed parent company Legrand SA, to employees of the group.

The exercise price of the free shares is EUR nil (2014 - EUR nil). No options were granted in 2015 (2014 - nil). The contractual life of an option is 10 years. The contractual life of the free shares award is 2 years for French residents and 4 years for non-French residents. Awards under the scheme are generally reserved for employees at senior management level and above. 38 (2014 - 41) of the company's employees are currently eligible to participate. There are no reload features.

Free shares issued and options granted will become exercisable on the fourth anniversary of the date of grant. Free shares issued to French residents will become exercisable on the second anniversary of the date of grant. The issue of free shares and exercise of an option are subject to continued employment. Options were valued using the Binomial Model and free shares are valued using the Black and Scholes Model. No performance conditions were included in the fair value calculations.

A reconciliation of option and free shares movements over the year to December 31, 2015 is shown below:

	Stock options 2015	Stock options 2014	Free shares 2015	Free shares 2014
Outstanding at beginning of year	21,581	34,069	23,080	30,427
Granted	-	-	-	-
Exercised	(1,818)	(12,488)	(13,981)	(7,211)
Forfeited	-	-	-	(136)
Outstanding at end of year	<u>19,763</u>	<u>21,581</u>	<u>9,099</u>	<u>23,080</u>

Weighted average exercise price (Euros)	20.753	20.915	0.00	0.00
Range of exercise prices (Euros)	13.12 to 25.20	13.12 to 25.20	0.00	0.00
Weighted average contractual life (days)	0	0	67	208

The total charge for the year relating to employee share based payment plans was £333,000 (2014 - £423,000) all of which related to equity-settled share based payment transactions. An accrual of £46,000 (2014 - £93,000) has been recorded at year end for national insurance contributions to be paid.

29. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Legrand UK Limited, a company incorporated in England.

The ultimate parent undertaking and controlling party is Legrand SA, a company incorporated in France.

Legrand SA is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at December 31, 2015. The consolidated financial statements of Legrand SA can be obtained from the company secretary, 128 Avenue de Lattre-de-Tassigny, 87000 Limoges, France.

Legrand Electric Limited

Notes to the financial statements For the Year Ended 31 December 2015

30. First time adoption of FRS 102

	As previously stated 1 January 2014 £000	Effect of transition 1 January 2014 £000	FRS 102 (as restated) 1 January 2014 £000	As previously stated 31 December 2014 £000	Effect of transition 31 December 2014 £000	FRS 102 (as restated) 31 December 2014 £000
Note						
Fixed assets	46,888	-	46,888	43,527	-	43,527
Current assets	34,326	374	34,700	35,052	153	35,205
Creditors: amounts falling due within one year	(32,700)	-	(32,700)	(18,870)	-	(18,870)
Net current assets	1,626	374	2,000	16,182	153	16,335
Total assets less current liabilities	48,514	374	48,888	59,709	153	59,862
Creditors: amounts falling due after more than one year	(15,379)	-	(15,379)	(21,611)	-	(21,611)
Provisions for liabilities	(6,942)	(374)	(7,316)	(10,444)	(153)	(10,597)
Net assets	26,193	-	26,193	27,654	-	27,654
Capital and reserves	26,193	-	26,193	27,654	-	27,654

Legrand Electric Limited

**Notes to the financial statements
For the Year Ended 31 December 2015**

30. First time adoption of FRS 102 (continued)

		As previously stated 31 December 2014 £000	Effect of transition 31 December 2014 £000	FRS 102 (as restated) 31 December 2014 £000
	Note			
Turnover		68,622	-	68,622
Cost of sales		(43,703)	-	(43,703)
		<u>24,919</u>	<u>-</u>	<u>24,919</u>
Distribution expenses		(9,873)	-	(9,873)
Administrative expenses		(8,455)	(1,458)	(9,913)
		<u>6,591</u>	<u>(1,458)</u>	<u>5,133</u>
Operating profit		6,591	(1,458)	5,133
Income from investments		-	3,667	3,667
Amounts written off investments		-	(2,209)	(2,209)
Interest receivable and similar income		52	-	52
Interest payable and similar charges		(157)	-	(157)
Other finance income	2	349	(622)	(273)
Taxation		103	-	103
		<u>6,938</u>	<u>(622)</u>	<u>6,316</u>
Profit on ordinary activities after taxation and for the financial year		6,938	(622)	6,316

Explanation of changes to previously reported profit and equity:

- 1 The movement in Current assets and Provisions for liabilities is a result of the requirement to show Pension scheme surpluses and deficits separately, rather than in a net position.
- 2 FRS 102 adjustment relating to calculation of Expected Return on Pension Plan Assets with corresponding adjustment to Actuarial Gain on Assets.