

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

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Dyson Technology Limited

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

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Dyson Technology Limited

Strategic report for the year ended 31 December 2015

The results for Dyson Technology Limited (the "Company") show turnover of £259.6m (2014: £215.3m) and a pre-tax profit of £143.2m (2014: £118.0m) for the year. The Company's total comprehensive income for the financial year was £125.6m (2014: £102.1m). Profit before taxation as a percentage of turnover rose to 55.2% (2014: 54.8%). The effective tax rate fell to 12.3% (2014: 13.5%).

The Company's principal operational risks and uncertainties relate to the protection of intellectual property, product reliability and reliance on key personnel. Its principal financial risks relate to those costs arising from the protection of its intellectual property and product reliability. The aim of the Company's financial risk management policies is to optimise financial performance by managing and mitigating these risks in a cost-effective manner. The directors expect a similar level of activity to continue in the forthcoming year.

By order of the Board on 10 March 2016



J Shipsey
Director

Dyson Technology 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 activities of the Company are research and development and the sub-licensing of patents and design rights.

Dividends

Total dividends paid amounted to £120.0m (2014: £95.0m).

Research and development

The Company is committed to research and development. Research and development costs amounting to £104.9m (2014: £80.0m) were expensed during the year.

Employee involvement

The Dyson James Group Limited's (the "Group") 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, including the Company.

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). 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:

Dyson Technology Limited

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

Statement of directors' responsibilities (continued)

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates which are reasonable and prudent;
- state whether applicable United Kingdom 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 Technology Limited

We have audited the financial statements of Dyson Technology Limited (the "Company") for the year ended 31 December 2015 which comprise the Balance Sheet, the Profit and Loss Account and the Statement of Changes in Equity and the related notes 1 to 23. 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

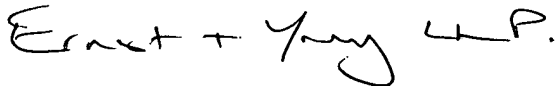
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Dyson Technology 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of directors' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit.



Chris Gilbert (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol

10 March 2016

Dyson Technology Limited

Profit and loss account

For the year ended 31 December

	<i>Note</i>	2015	2014
		£m	£m
Turnover	2	259.6	215.3
Cost of sales		(0.0)	(0.0)
Gross profit		259.6	215.3
Other income	3	3.0	2.6
Administrative expenses		(119.0)	(101.6)
Operating profit	4	143.6	116.3
Finance income	7	1.9	1.8
Finance costs	8	(2.3)	(0.1)
Profit on ordinary activities before taxation		143.2	118.0
Tax on profit on ordinary activities	9	(17.6)	(15.9)
Total comprehensive income		125.6	102.1

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 23 form an integral part of these financial statements.


Dyson Technology Limited

Balance sheet

At 31 December		2015	2015	2014	2014
	Note	£m	£m	£m	£m
Fixed assets					
Intangible assets	10	11.4		8.8	
Tangible assets	11	50.5		21.3	
Investments	12	56.2		9.6	
			118.1		39.7
Current assets					
Debtors	13	183.4		123.0	
			183.4		123.0
Creditors: Amounts falling due within one year	14		(22.7)		(22.5)
Net current assets			160.7		100.5
Total assets less current liabilities			278.8		140.2
Creditors: Amounts falling due after one year	15		(135.0)		-
Provisions for liabilities	17		(8.3)		(10.3)
Net assets			135.5		129.9
Capital and reserves					
Called up share capital	18		0.0		0.0
Profit and loss reserve			135.5		129.9
Total shareholders' funds			135.5		129.9

The notes and accounting policies on pages 9 to 23 form an integral part of these financial statements.

The financial statements on pages 6 to 23 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 Technology Limited**Statement of changes in equity**

	Share capital	Profit and loss reserve	Total Equity
	£m	£m	£m
At 1 January 2014	0.0	122.8	122.8
Total comprehensive income	-	102.1	102.1
Dividends paid	-	(95.0)	(95.0)
At 31 December 2014	0.0	129.9	129.9
Total comprehensive income	-	125.6	125.6
Dividends paid	-	(120.0)	(120.0)
At 31 December 2015	0.0	135.5	135.5

The notes and accounting policies on pages 9 to 23 are an integral part of these financial statements.

Dyson Technology 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 Company's operations and its principal activities are set out in the directors' report.

These financial statements have been prepared on the going concern basis, under the historical cost convention, in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'.

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 23.

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.

Turnover

Turnover represents the amounts derived from patents and design rights licensed to fellow Group companies, and is recognised in the period to which it relates, net of Value Added Tax where appropriate.

Government grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

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 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.

Research and development costs

Research and development costs are expensed to the profit and loss account as incurred.

Dyson Technology Limited

Statement of accounting policies (continued)

Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation. Amortisation is provided from the date of acquisition to write off the cost less estimated residual value of each asset on a straight line basis over their useful economic life, as follows:

Patents	3 to 10 years
Product software	3 years
Goodwill	10 years

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:

Plant, equipment, fixtures and fittings:	
Information technology	3 years
Other	10 years

No depreciation is provided against freehold land.

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.

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, except those financial assets classified as at fair value through profit or loss, 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, is cancelled or expires.

Dyson Technology Limited

Statement of accounting policies (continued)

Financial instruments (continued)

- 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.

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.

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 which 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.

Fixed asset investments

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

Dyson Technology 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 section 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 activity of the Company and originated in the United Kingdom.

3. Other income

	2015	2014
	£m	£m
Government grants	3.0	2.6

4. Operating profit

	2015	2014
	£m	£m
Operating profit is stated after charging/(crediting):		
Staff costs	63.8	48.7
Research and development	104.9	80.0
Research and development tax credit	(5.8)	(3.9)
Depreciation of tangible fixed assets	4.5	4.8
Amortisation of intangible fixed assets	2.2	2.9

Fees payable for the audit of the Company's financial statements of £5,000 (2014: £3,500) were borne by another Group company.

Dyson Technology Limited**Notes to the financial statements for the year ended 31 December 2015 (continued)****5. Directors' remuneration**

The directors' remuneration in respect of qualifying services to the Company was borne by a fellow Group company and it is not practical to allocate the amount for services in respect of the Company. The total amount of directors' remuneration is included in the Dyson James Group Limited financial statements.

6. Staff costs

	2015	2014
	£m	£m
Wages and salaries	53.6	40.7
Social security costs	5.9	4.4
Other pension costs	4.3	3.6
	63.8	48.7

A fellow Group company operates a defined contribution pension scheme. The assets are held and managed independently of the finances of that company.

The average monthly number of staff employed was:

	2015	2014
	Number	Number
Research and development	1,149	984

7. Finance income

	2015	2014
	£m	£m
Interest receivable on intra-Group loans	1.9	1.8

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 Technology Limited

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

8. Finance costs

	2015	2014
	£m	£m
Interest payable on intra-Group loans	2.3	0.0
Other interest payable	0.0	0.1
	2.3	0.1

Interest was payable on intra-Group variable rate loans at 1.2% above the Group finance company's cost of funds and at 1.1% above sterling LIBOR (2014: 0.1% to 1.2% above the Group finance company's cost of funds).

Interest was payable on intra-Group fixed loans at 2.9% (2014: none).

9. Tax on profit on ordinary activities

	2015	2014
	£m	£m
Current tax:		
- UK corporation tax on profits for the period	15.2	15.2
- adjustments in respect of previous periods	0.2	(0.4)
Total current tax	15.4	14.8
Deferred tax:		
- origination and reversal of timing differences	2.4	1.0
- adjustments in respect of previous periods	(0.2)	0.1
Total deferred tax (see notes 13 & 17)	2.2	1.1
Tax on profit on ordinary activities	17.6	15.9

Dyson Technology 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 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	2014
	£m	£m
Profit on ordinary activities before tax	143.2	118.0
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.25% (2014: 21.5%)	29.0	25.4
Effects of:		
Benefit of tax incentives	(11.4)	(9.2)
Adjustments in respect of previous periods	0.0	(0.3)
Tax on profit on ordinary activities	17.6	15.9

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

When calculating the deferred tax asset and provision, the average tax rates which are expected to apply upon reversal of these provisions include the effect of tax incentives.

The deferred tax included in the balance sheet is as follows

	2015	2014
	£m	£m
Included in debtors (note 13)	0.6	0.8
Included in provisions for liabilities (note 17)	(4.0)	(2.0)
Net deferred tax provision	(3.4)	(1.2)
Net deferred tax comprises:		
Short term timing differences	0.6	0.8
Accelerated capital allowances	(4.0)	(2.0)
Net provision for deferred tax	(3.4)	(1.2)

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

	2015	2014
	£m	£m
At 1 January 2015	(1.2)	(0.1)
Deferred tax charged to profit and loss account	(2.2)	(1.1)
At 31 December 2015	(3.4)	(1.2)

10. Intangible assets

	Computer software £m	Product software £m	Patents £m	Total £m
Cost				
At 1 January 2015	13.5	1.2	178.2	192.9
Additions	4.8	-	-	4.8
Disposals	(0.0)	-	-	(0.0)
At 31 December 2015	18.3	1.2	178.2	197.7
Accumulated amortisation				
At 1 January 2015	5.9	0.0	178.2	184.1
Charge for year	2.2	0.0	-	2.2
At 31 December 2015	8.1	0.0	178.2	186.3
Net book amount				
At 31 December 2015	10.2	1.2	-	11.4
At 31 December 2014	7.6	1.2	-	8.8

Dyson Technology Limited

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

11. Tangible assets

	Freehold land and buildings	Plant, equipment, fixtures and fittings	Total
	£m	£m	£m
Cost			
At 1 January 2015	5.9	30.0	35.9
Additions	26.3	8.8	35.1
Disposals	(0.2)	(1.5)	(1.7)
Intra-Group transfers out	(0.1)	-	(0.1)
At 31 December 2015	31.9	37.3	69.2
Accumulated depreciation			
At 1 January 2015	-	14.6	14.6
Charge for year	-	4.5	4.5
Disposals	-	(0.4)	(0.4)
At 31 December 2015	-	18.7	18.7
Net book amount			
At 31 December 2015	31.9	18.6	50.5
At 31 December 2014	5.9	15.4	21.3
The cost and net book value amounts include assets in the course of construction as follows:			
At 31 December 2015	27.7	5.8	33.5
At 31 December 2014	-	6.4	6.4

Capital expenditure contracted but not provided for at the year end was £5.3m (2014: £1.9m).

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

	2015	2014
	£m	£m
Unlisted investments		
At 1 January	9.6	-
Additions	46.6	9.6
At 31 December	56.2	- 9.6

The Company increased its investment in Sakti3 Inc. and now holds 100%:

Company name	Country of incorporation	Shares held	Company holding %	Principal activity
Sakti3 Inc	USA	Ordinary	100.0%	Research company

13. Debtors

	2015	2014
	£m	£m
Amounts owed by Group undertakings – interest bearing (see note 7)	139.0	47.2
Amounts owed by Group undertakings – non-interest bearing	42.6	72.5
Deferred tax asset	0.6	0.8
Other debtors	0.0	0.3
Prepayments and accrued income	1.2	2.2
	183.4	123.0

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

Dyson Technology Limited

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

13. Debtors (continued)

Deferred tax comprises:	2015	2014
	£m	£m
Short term timing differences	0.6	0.8

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

Movement on deferred tax asset	2015	2014
	£m	£m
At 1 January	0.8	0.8
(Charged)/credited to the profit and loss account	(0.2)	0.0
At 31 December	0.6	0.8

14. Creditors – Amounts falling due within one year

	2015	2014
	£m	£m
Trade creditors	4.5	2.3
Amounts owed to Group undertakings – non-interest bearing	2.1	3.0
Corporation tax payable	4.8	7.7
Other tax and social security payable	1.5	1.2
Accruals and deferred income	9.8	8.3
	22.7	22.5

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

Dyson Technology Limited**Notes to the financial statements for the year ended 31 December 2015 (continued)****15. Creditors – Amounts falling due after one year**

	2015	2014
	£m	£m
Amounts owed to Group undertakings – interest bearing (note 8)	135.0	-

16. Loans and other borrowings

	2015	2014
	£m	£m
Maturity of financial liabilities		
More than five years	135.0	-

17. Provisions for liabilities

	Deferred tax £m	Other £m	Total £m
At 1 January 2015	2.0	8.3	10.3
Utilised in year	-	(4.0)	(4.0)
Charged to the profit and loss account	2.0	-	2.0
At 31 December 2015	4.0	4.3	8.3

Other provisions principally comprise costs arising from negotiations and disputes, litigation and other product related costs.

Deferred tax comprises:

	2015	2014
	£m	£m
Accelerated capital allowances	4.0	2.0
Deferred tax provision	4.0	2.0

Dyson Technology Limited**Notes to the financial statements for the year ended 31 December 2015 (continued)****18. Called up share capital**

	2015	2014
	£m	£m
Allotted and fully paid share capital		
100 ordinary shares of £1	0.0	0.0

19. Dividends

	2015	2014
	£m	£m
Equity shares		
Dividend paid of £1,200,000 per ordinary share (2014: £950,000)	120.0	95.0

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 Technology Limited

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

21. Pension costs

Pension costs of £4.3m (2014: £3.6m) were charged in the year in relation to Group defined contribution pension schemes. At the year end £0.4m (2014: £0.4m) was included in creditors as amounts payable to the schemes.

22. 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, 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.

23. Transition to FRS 102

The Company 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, this was treated as a tangible fixed asset. Consequently computer software has been reclassified on the balance sheet.