Radiodetection Limited

Annual Report and Financial Statements
for the year ended 31 December 2015

Registered number: **01334448**

Radiodetection Limited

Contents

Radiodetection Limited

Officers and professional advisers

DIRECTORS

K P Lench
J Nurkin (appointed 3 April 2015)
M A Reilly
S W Sproule (appointed 26 September 2015)

REGISTERED OFFICE

Western Drive
Bristol
BS14 0AZ

SOLICITORS

Eversheds
Bridgewater Place
Water Lane
Leeds
LS11 5DR

BANKERS

Bank of America NA
5 Canada Square
London
E14 5AQ

AUDITOR

Deloitte LLP
Cardiff
5 Callaghan Square

Radiodetection Limited

Strategic report

STRATEGY AND OBJECTIVES

The principle activity of the company is the design and manufacture of equipment used for the location and inspection of buried utilities. The objectives of the company are to continue to grow our business and maintain our position as market leaders, without sacrificing financial stability. Our strategy to achieve these objectives is to focus on growth globally, while ensuring that our products continue to meet the needs of our customers by investing in research and development activities to support a programme of new product launches.

BUSINESS MODEL

Commitment to the customer is the foundation of Radiodetection's success. This, combined with design innovation and a skilled and dedicated workforce, has produced a range of products that are an essential part of utility workers' and contractors' lives in over sixty countries throughout the world. Radiodetection maintains a strong practice of ongoing development of products and commercial research.

Every product in the Radiodetection range is designed and manufactured to the highest standards. Radiodetection's manufacturing operations are ISO 9001 accredited, and our products benefit from a range of approvals in specific industries.

To back up this commitment to excellence, Radiodetection customers benefit from an extensive service and technical support programme. With complete customer support, repair and parts facilities located around the globe, clients have access to "hands-on" advice and consulting.

REVIEW OF THE BUSINESS

Revenue grew by 10.6% in 2015 (2014: 2.6%) to £49,978,000. The growth was mainly in Asia and the United States, where there has been strong demand for the company's products. Revenue from Europe declined during the year due to challenging regional conditions during the year.

Profit before tax in 2015 was £16,439,000, which is slightly lower than in 2014 when the profit before tax was £17,327,000. The decline is primarily due to a dividend received from a subsidiary during 2014 that has not repeated in 2015. Excluding the impact of this dividend, net profitability has grown during the year, driven by the increased revenue, however the gross profit margin has declined slightly from 54.6% in 2014 to 52.2% in 2015.

FUTURE DEVELOPMENTS

2016 will see the company continue its programme of launching new or updated existing product ranges, including enhancements to our locator and inspection product ranges.

These new or updated products will ensure we continue to lead the market in terms of product capability, and will therefore enable us to continue to grow our revenue globally.

The directors declared a dividend of £12,973,000 (£49.56 per ordinary share) on 22 June 2016. The dividend was paid on 24 June 2016 to ordinary shareholders on the register of members on 22 June 2016.

Radiodetection Limited

Strategic report

KEY PERFORMANCE INDICATORS

Key performance indicators (KPIs) that we use to monitor our progress against our objectives are:

Revenue and revenue growth

This KPI enables the company to monitor how it is progressing against its objective of business growth. Revenue growth for 2015 was 10.6% (2014: 2.6%). The revenue growth was driven by strong product demand in Asia and the United States.

Operating profit

This KPI enables the company to monitor its ongoing financial stability and maintain its tight control over costs. Operating profit has remained materially unchanged, decreasing slightly from 33.1% in 2014 to 32.0% in 2015. Included within costs during 2015 is an impairment of an investment in a subsidiary. Excluding this one-off charge, the operating profit has increased during 2015 to 35.0%. This is driven mainly by the increased revenue.

Net cash flow, before group cash pooling, and cash conversion of operating profits

The company uses this KPI to monitor its financial stability and to ensure that control is maintained over working capital requirements. The net cash generated for the cash pooling arrangement, excluding dividend transactions, was £16,909,000 (106% conversion) in 2015 and £16,261,000 (109% conversion) in 2014. The company has continued to maintain tight controls over working capital, achieving in excess of 100% cash conversion.

Stock turns

This KPI is used by the company to monitor how efficiently it is using stock and to ensure that the levels of stock held are suitable for the level of trade being carried out. The measure is calculated as the cost of stock recognised as an expense (note 5) divided by the stock value per the balance sheet. The stock turns in 2015 have increased slightly from 5.0 in 2014 to 6.2 in 2015 as the company continues to maintain strict control over stock levels.

PRINCIPAL RISKS AND UNCERTAINTIES

The company's activities expose it to financial risks including foreign exchange risk, interest rate risk and cash flow risk. To reduce these risks, the company manages cash through a group cash pooling arrangement and operates foreign currency bank accounts. Further detail is included in the directors' report.

Loss of key customers is also a key risk to the business. The company manages this risk by developing and maintaining strong relationships with these customers.

Approved by the Board of Directors

and signed on behalf of the Board

K P Lench

Director

30 September 2016

Radiodetection Limited

Directors' report

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 December 2015.

FUTURE DEVELOPMENTS AND EVENTS AFTER THE BALANCE SHEET DATE

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic Report on page 2.

GOING CONCERN

In accordance with their responsibilities as directors, the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements.

The company's forecasts, which allow for reasonably possible changes in trading performance, show that the company will continue to be cash-generative across the forecast period, which is more than one year from the date of approval of these financial statements. As a consequence the directors believe that the company is well placed to manage its business risks successfully.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements.

RESEARCH AND DEVELOPMENT

The company is committed to ongoing investment in engineering, research and development to produce high quality products using the latest technology. The amount spent on research and development during the year was £1,671,000 (2014: £1,453,000).

RESULTS AND DIVIDENDS

The profit after tax for the year was £16,168,000 (2014: £17,456,000). During the year, the directors did not recommend the payment of a dividend (2014: £80,000,000 recommended and paid). The directors declared a dividend of £12,973,000 (£49.56 per ordinary share) on 22 June 2016. The dividend was paid on 24 June 2016 to ordinary shareholders on the register of members on 22 June 2016.

DIRECTORS

The directors who served during the year and subsequently were as follows:

K P Lench	
K L Lilly	*resigned 3 April 2015*
J Nurkin	*appointed 3 April 2015*
M A Reilly	
J W Smeltser	*resigned 26 September 2015*
S W Sproule	*appointed 26 September 2015*

Directors' report

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's activities expose it to a number of financial risks including cash flow risk, credit risk and liquidity risk. It is the company's policy that no speculative trading in financial instruments shall be undertaken. The current policy is not to enter into forward exchange contracts as foreign currency exposure is managed by the parent company. However, the company operates foreign currency bank accounts to mitigate foreign currency risk.

Cash flow risk

Some of the company's sales are to customers outside the UK, and it is therefore exposed to movements in exchange rates. The company also sources some materials from outside the UK. The company minimises the risk of exchange rate fluctuations by operating foreign currency bank accounts where necessary.

Credit risk

The company's principal financial assets are bank balances and trade receivables. The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for on-going operations and future developments, the company has access to a group central cash pooling account.

AUDITOR

In the case of each of the persons who are directors of the company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Radiodetection Limited

Directors' report

Approval of reduced disclosures

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholder/s have been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The Company also intend to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the Company by SPX Germany Holding GmbH, as the immediate parent of the entity, or by a shareholder/s holding in aggregate 5 per cent or more of the total allocated shares in the Company or more than half of the allotted shares in the entity not held by SPX Germany Holding GmbH as the immediate parent.

Approved by the Board of Directors

and signed ~~on behalf~~ of the Board

K P Lench

Director

30 September 2016

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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 of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the member of Radiodetection Limited

We have audited the financial statements of Radiodetection Limited for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 23 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 FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the company's member 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 member those matters we are required to state to it 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 member 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 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 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.

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.

Delyth Jones

Delyth Jones (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Cardiff, United Kingdom

30 September 2016

Radiodetection Limited

Statement of comprehensive income
For the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
Turnover	3	49,978	45,182
Cost of sales		(23,899)	(20,531)
Gross profit		26,079	24,651
Distribution costs		(2,660)	(2,558)
Administrative expenses		(7,420)	(7,145)
Operating profit		15,999	14,948
Income from shares in group undertakings		-	2,379
Finance costs (net)	4	440	-
Profit on ordinary activities before taxation	5	16,439	17,327
Tax on profit on ordinary activities	8	(271)	129
Profit for the financial year attributable to the equity shareholder of the Company		16,168	17,456
Other comprehensive income			
Remeasurement of net defined benefit asset	21	(2,432)	-
Tax relating to components of other comprehensive income		661	-
Total comprehensive income attributable to equity shareholder of the Company		14,397	17,456

All of the activities of the company are classed as continuing.

Radiodetection Limited

Balance sheet

At 31 December 2015

	Note	2015 £'000	2014 £'000
Fixed assets			
Intangible assets	10	61	121
Tangible assets	11	2,223	2,227
Investments	12	1,648	659
		3,932	3,007
Current assets			
Stocks	13	3,328	3,544
Debtors due within one year	14	5,021	10,057
Defined benefit pension scheme asset	21	9,611	11,151
Deferred tax asset due in more than one year	15	441	473
Cash at bank and in hand		22,609	30
		41,010	25,255
Creditors: amounts falling due within one year	16	(6,876)	(8,461)
Net current assets		34,134	16,794
Total assets less current liabilities		38,066	19,801
Creditors: amounts falling due after more than one year	17	(1,770)	(2,446)
Provisions for liabilities	18	(17)	(35)
Net assets		36,279	17,320
Capital and reserves			
Called-up share capital	19	262	262
Pension reserve	19	7,881	8,921
Profit and loss account	19	28,136	8,137
Shareholders' funds		36,279	17,320

The financial statements of Radiodetection Limited, registered number 01334448, were approved by the board of directors and authorised for issue on 30 SEPTEMBER 2016.

They were signed on its behalf by:

Kevin Leach
Director

Statement of changes in equity
At 31 December 2015

	Called-up share capital £'000	Share premium account £'000	Pension reserve £'000	Profit and loss account £'000	Total £'000
At 31 December 2013	262	20,961	-	49,784	71,007
Profit for the financial year	-	-	-	17,456	17,456
Total comprehensive income	262	20,961	-	67,240	88,463
Dividends paid on equity shares	-	-	-	(80,000)	(80,000)
Changes on transition to FRS 102 (see note 23)	-	-	8,921	-	8,921
Credit to equity for equity settled share-based payment	-	-	-	(64)	(64)
Cancellation of share premium	-	(20,961)		20,961	-
At 31 December 2014	262	-	8,921	8,137	17,320
Profit for the financial year	-	-	1,040	15,128	16,168
Remeasurement of net defined benefit asset	-	-	(2,432)	-	(2,432)
Tax relating to other comprehensive income	-	-	661	-	661
Total comprehensive income	262	-	8,190	23,265	31,717
Capital contributions	-		172	4,524	4,696
Distribution to parent on transfer of pension scheme liability	-	-	(481)	-	(481)
Credit to equity for equity settled share-based payment	-	-	-	347	347
At 31 December 2015	262	-	7,881	28,136	36,279

The Pension Reserve and Profit and Loss Account are both distributable reserves.

The Pension Reserve reflects the movements in the defined benefit pension asset and the corresponding deferred tax liability.

Notes to the financial statements
For the year ended 31 December 2015

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

a. *General information and basis of accounting*

Radiodetection Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is Radiodetection Limited, Western Drive, Bristol, BS14 0AF. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 2 to 3.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, 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. For more information see note 23.

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

Radiodetection Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Radiodetection Limited is consolidated in the financial statements of its parent, SPX Corporation, which may be obtained from the company's website (www.spx.com). Exemptions have been taken from the requirement to product consolidated accounts, and in these separate Company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement, related party transactions and remuneration of key management personnel.

b. *Going concern*

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The directors' report further describes the financial position of the Company; the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposure to credit risk and liquidity risk.

The Company meets its day to day working capital requirements from cash reserves and the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

c. *Intangible assets – 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 Company is expected to benefit. This period is three years.

d. *Tangible fixed assets*

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Long leasehold land and buildings	2.5% per annum
Motor vehicles	20% to 33% per annum
Plant and machinery	14% to 33% per annum
Production tooling	25% per annum

Notes to the financial statements
For the year ended 31 December 2015

1. Accounting policies (continued)

e. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial 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 statement of financial position when, and only 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 and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

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

(ii) Investments

Investments in subsidiaries and associates are measured at cost less impairment.

(iii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

(iv) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

f. Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Net realisable value is based on estimated selling prices, less further costs expected to be incurred to completion and disposal. Cost is calculated using standard costs adjusted for recorded variances to approximate the FIFO (first-in, first-out) method. Standard costs are updated annually to ensure a close relationship with actual costs. Provision is made for obsolete, slow moving or defective items where appropriate.

Notes to the financial statements
For the year ended 31 December 2015

1. **Accounting policies (continued)**

g. Impairment of assets

Assets are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

h. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, 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.

The company is part of a group of companies which are eligible to claim current year tax losses from other group companies. The company's current year tax charge recognises the benefit of tax losses claimed under group relief if there is sufficient evidence at the time of preparation that such losses are available. Changes arising to the company's tax charge as a result of the benefit of tax losses are reflected in the accounts as prior year adjustments in accounts for subsequent years.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

1. Accounting policies (continued)

h. Taxation (continued)

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

i. Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales-related taxes. Revenue is recognised on transfer of the risks and rewards of ownership of goods to the customer. This is generally on despatch of goods, in accordance with the company's standard terms of business. This also applies to the majority of service revenue, which largely represents repair and maintenance of customers' equipment: the revenue is recognised at the time the repaired equipment is despatched to the customer.

For other service revenue, including the provision of training in the correct operation of Radiodetection equipment, revenue is recognised at the time the service is provided to the customer.

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.

j. Employee benefits

defined contribution pension schemes the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Other long-term employee benefits are measured at the present value of the benefit obligation at the reporting date.

Radiodetection Limited sponsors two defined benefit plans and the net defined benefit cost of the plans is therefore recognised in the company's accounts, as the entity legally responsible for the plans. For defined benefit schemes the amounts charged to operating profit are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to profit or loss and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

k. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise.

Notes to the financial statements
For the year ended 31 December 2015

1. **Accounting policies (continued)**

l. ***Leases***

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

m. ***Share-based payment***

The company operates a share-based payment scheme for certain of its employees. Equity instruments in SPX Corporation are awarded at no exercise price to the recipient. Awards are equity-settled at their gross value net of associated income tax liabilities. To the extent that the value of shares required is in excess of a round number of shares, the excess value is settled in cash.

Each award is valued at the grant date, and the value is recognised as an expense over the vesting period. The company reimburses SPX Corporation for the value of shares issued, and the company recognises liabilities for the reimbursement due for shares that have not yet vested. Changes in the value of liabilities due to fluctuations in the share price of SPX Corporation between the grant date and vesting date are recognised directly through equity as either capital contributions from or distributions to the parent company.

2. **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's 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.

Key source of estimation uncertainty – impairment of investments

Determining whether investments are impaired requires an estimation of their value in use to the Company. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the investment and a suitable discount rate in order to calculate present value.

Key source of estimation uncertainty – defined benefit pension scheme actuarial assumptions

The actuarial valuations of the defined benefit obligations require certain assumptions to be made regarding, for example, inflation, discount rates and future increases in pension benefits. The professional actuaries for each plan propose suitable values for the assumptions, and the company reviews these to ensure that they are suitable.

Notes to the financial statements
For the year ended 31 December 2015

3. Turnover and revenue

The directors are of the opinion that the company's activities comprise one class of business.

An analysis of the Company's turnover by geographical market is set out below.

	2015 £'000	2014 £'000
Turnover:		
United Kingdom	13,453	13,049
Rest of Europe	7,307	8,114
USA	15,360	10,513
Asia	9,581	8,121
Other overseas countries	4,277	5,385
	49,978	45,182

An analysis of the Company's revenue is as follows:

	2015 £'000	2014 £'000
Sale of goods	48,385	43,295
Rendering of services	1,593	1,887
Turnover and total revenue	49,978	45,182

4. Finance costs (net)

	2015 £'000	2014 £'000
Bank interest (receivable)	(13)	-
Net interest on defined benefit assets (see note 21)	(427)	-
	(440)	-

Notes to the financial statements
For the year ended 31 December 2015

5. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting):

	2015 £'000	2014 £'000
Depreciation of tangible fixed assets (note 11)	237	266
Impairment of investments (note 12)	1,497	-
Amortisation of intangible assets (note 10)	60	87
Research and development expenditure	1,671	1,453
Operating lease rentals	178	139
Foreign exchange (gain)/loss	(15)	51
Cost of stock recognised as an expense	20,763	17,673
Impairment of stock recognised as an expense	353	238
Reversal of impairment of stock	(187)	(283)
Gain on disposal of fixed assets	-	(3)
Auditor's remuneration:		
- the audit of the company's annual financial statements	66	52
- taxation compliance services	23	12
- other services	-	5

The impairment of investments arose as a result of the forecasted future cash flows for one subsidiary being lower than the carrying value of the investment.

The impairment of stock arose as a result of anticipated future demand for the items being insufficient to ensure the recoverability of the carrying value of the stock.

The reversal of past impairment losses arose as a result of unforeseen demand for stock items previously impaired.

Impairments, reversal of impairments of fixed assets, intangible assets and stocks and amortisation of intangible assets are included in administrative expenses.

Notes to the financial statements
For the year ended 31 December 2015

6. Staff numbers and costs

The average monthly number of employees (including executive directors) was:

	2015 Number	2014 Number
Production	64	64
Sales	39	38
Administration	31	28
Engineering	29	30
	163	160

Their aggregate remuneration comprised:

	2015 £'000	2014 £'000
Wages and salaries	6,535	5,997
Social security costs	588	590
Defined benefit pension (income)/costs (see note 21)	(512)	1,119
Other pension costs	396	342
Share-based payments	277	228
	7,284	8,276

'Other pension costs' includes only those items included within operating costs. Items reported elsewhere have been excluded.

Notes to the financial statements
For the year ended 31 December 2015

7. Directors' remuneration and transactions

	2015 £'000	2014 £'000
Directors' remuneration		
Emoluments	185	602
Company contributions to money purchase pension schemes	18	23
	203	625

	Number	Number
The number of directors who:		
Are members of a defined benefit pension scheme	-	-
Are members of a money purchase pension scheme	1	1
Exercised options over shares in the parent company	1	1
Had awards receivable in the form of shares in the parent company under a long-term incentive scheme	1	1

	2015 £'000	2014 £'000
Remuneration of the highest paid director:		
Emoluments	185	602
Company contributions to defined contribution pension schemes	18	23

The remuneration of the other directors was borne by other group companies for both years. The other directors spend an insignificant portion of their time on the affairs of the Company and no amount has been allocated in respect of their emoluments relating to services provided to the company (2014: £nil).

There were no directors who were members of defined benefit or target benefit pension schemes in 2015 (2014: none). Shares were received and receivable by one director under long-term incentive schemes as described further in note 9 (2014: one director).

Notes to the financial statements
For the year ended 31 December 2015

8. Tax on profit on ordinary activities

The tax charge comprises:

	2015 £'000	2014 £'000
Current tax on profit on ordinary activities		
UK corporation tax	-	-
Adjustments in respect of prior years		
UK corporation tax	11	(23)
Total current tax	11	(23)
Deferred tax		
Origination and reversal of timing differences	212	(106)
Changes in tax rates	48	-
Total deferred tax	260	(106)
Total tax on profit on ordinary activities	271	(129)

The standard rate of tax applied to reported profit on ordinary activities is 20.25 per cent (2014: 21.5 per cent). The applicable tax rate has changed in accordance with Section 6 of the Finance Act 2013.

Deferred taxes are valued at 18%, based on the future tax rates introduced in Section 7 of the Finance (No. 2) Act 2015.

There is no expiry date on timing differences, unused tax losses or tax credits.

Notes to the financial statements
For the year ended 31 December 2015

8. Tax on profit on ordinary activities (continued)

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2015 £'000	2014 £'000
Profit on ordinary activities before tax	16,439	17,327
Tax on profit on ordinary activities at standard UK corporation tax rate of 20.25 per cent (2014: 21.5 per cent)	3,329	3,725
Effects of:		
- Expenses not deductible for tax purposes	348	134
- Income not taxable in determining taxable profit	-	(511)
- Movements in short-term timing differences	(132)	(80)
- Depreciation in excess of capital allowances	48	57
- Patent box deduction	(1,107)	(1,096)
- Group relief	(2,205)	(2,223)
- R&D enhanced relief	(24)	(6)
- Defined benefit pension adjustment	(257)	-
- Adjustments in respect of prior years	11	(23)
- Deferred tax expense/(income) relating to origination and reversal of timing differences	212	(106)
- Deferred tax expense relating to changes in tax rates	48	-
Total tax charge for period	271	(129)

The standard rate of tax applied to reported profit on ordinary activities is 20.25 per cent (2014: 21.5 per cent). The applicable tax rate has changed in accordance with Section 6 of the Finance Act 2013.
There is no expiry date on timing differences, unused tax losses or tax credits.

9. Share-based payments

The company operates a share-based payment scheme for certain of its employees. Equity instruments in SPX Corporation are awarded at no exercise price to the recipient. The awards vest in three equal instalments at one, two and three years after the date of award. Awards are forfeited if the employee leaves the group before the awards vest. Awards are equity-settled at their gross value net of associated income tax liabilities. To the extent that the value of shares required is in excess of a round number of shares, the excess value is settled in cash.

The company has taken advantage of the exemption available under FRS 102 relating to disclosures surrounding share-based payments on the basis that the arrangements concern equity instruments of SPX Corporation and equivalent disclosures are included in the consolidated financial statements of SPX Corporation.

Notes to the financial statements
For the year ended 31 December 2015

10. Intangible fixed assets

	Software capitalisation £'000
Cost	
At 1 January 2014 and at 31 December 2015	748
Amortisation	
At 1 January 2014	627
Charge for the year	60
At 31 December 2015	687
Net book value	
At 31 December 2014	121
At 31 December 2015	61

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.

11. Tangible fixed assets

	Long leasehold land and buildings £'000	Motor vehicles £'000	Plant and machinery £'000	Production tooling £'000	Total £'000
Cost					
At 1 January 2014	2,622	109	3,762	2,305	8,798
Additions	-	-	170	63	233
Disposals	-	-	(21)	-	(21)
At 31 December 2015	2,622	109	3,911	2,368	9,010
Depreciation					
At 1 January 2014	757	37	3,580	2,197	6,571
Charge for the year	79	17	97	44	237
Disposals	-	-	(21)	-	(21)
At 31 December 2015	836	54	3,656	2,241	6,787
Net book value					
At 31 December 2014	1,865	72	182	108	2,227
At 31 December 2015	1,786	55	255	127	2,223

Notes to the financial statements
For the year ended 31 December 2015

12. Fixed asset investments

Investments

The Company has investments in the following subsidiary undertakings.

Subsidiary undertakings	**Country of incorporation**	**Holding**	**%**
Radiodetection BV	Netherlands	Ordinary shares	100
Radiodetection SARL	France	Ordinary shares	100
Radiodetection (Canada) Limited	Canada	Ordinary shares	100
Radiodetection (Hong Kong) Ltd	China	Ordinary shares	100
Dormant Radio Australia PTY Ltd	Australia	Ordinary shares	100
Radiodetection Australia PTY Limited	Australia	Ordinary shares	100
Radiodetection JV SDN BHD	Malaysia	Ordinary shares	100
SPX Pension Trust Company Limited	United Kingdom	Ordinary shares	100

All shares are held directly by Radiodetection Limited.

Principal activity

Dormant Radio Australia PTY Ltd, Radiodetection (Hong Kong) Ltd and Radiodetection JV SDN BHD are dormant.

SPX Pension Trust Company Limited acts as trustee of the SPX UK Pension Scheme.

The remaining companies' principal activity is the sale of equipment manufactured by Radiodetection Limited.

Subsidiary undertakings

	£'000
Cost	
At 1 January 2014	4,756
Additions	2,486
At 31 December 2015	7,242
Provisions for impairment	
At 1 January 2014	4,097
Impairment	1,497
At 31 December 2015	5,594
Carrying value	
At 31 December 2014	659
At 31 December 2015	1,648

Subsidiary undertakings have not been consolidated by Radiodetection Limited as permitted by s.401 of the Companies Act 2006 as they are consolidated in the financial statements of SPX Corporation. The impairment of investments arose as a result of the forecasted future cash flows for one subsidiary being lower than the carrying value of the investment.

Notes to the financial statements
For the year ended 31 December 2015

13. Stocks

	2015 £'000	2014 £'000
Raw materials and consumables	1,858	2,049
Work in progress	171	233
Finished goods and goods for resale	1,299	1,262
	3,328	3,544

14. Debtors

	2015 £'000	2014 £'000
Amounts falling due within one year:		
Trade debtors	3,783	3,732
Amounts owed by group undertakings	809	5,844
VAT	103	185
Other debtors	53	33
Prepayments and accrued income	273	263
	5,021	10,057

15. Deferred tax asset

The deferred tax asset comprises the following:

	2015 £'000	2014 £'000
Depreciation in excess of capital allowances	359	364
Other timing differences	82	109
	441	473

Deferred tax assets and liabilities are offset only where the Company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the Company.

None of the deferred tax asset is expected to reverse during 2016.

Notes to the financial statements
For the year ended 31 December 2015

16. Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Payments received on account	17	67
Trade creditors	5,233	5,247
Amounts owed to group undertakings	671	2,327
Other taxation and social security	178	194
Accruals and deferred income	777	626
	6,876	8,461

17. Creditors: amounts falling due after more than one year

	2015 £'000	2014 £'000
Amounts owed to group undertakings	40	216
Deferred tax liability	1,730	2,230
	1,770	2,446

Deferred tax

The deferred tax liability comprises the following:

	2015 £'000	2014 £'000
Defined benefit pension surplus	1,730	2,230

Deferred tax assets and liabilities are offset only where the Company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the Company.

None of the deferred tax liability is expected to reverse during 2016.

Notes to the financial statements
For the year ended 31 December 2015

18. Provisions for liabilities

	Product warranties £'000
At 1 January 2015	35
Credited to profit and loss account	(4)
Utilisation of provision	(14)
At 31 December 2015	17

Product warranties

The warranty provision is established to recognise known and expected claims against delivered products within the contractual warranty period for such sales. The expenditure is expected to be incurred within 12 months of the balance sheet date.

19. Called-up share capital and reserves

	2015 £'000	2014 £'000
Allotted, called-up and fully-paid		
261,751 ordinary shares of £1 each	262	262

The Company has one class of ordinary shares which carry no right to fixed income.

The Company's other reserves are as follows:

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

The pension reserve represents the cumulative impact on the accounts of recognising the net liability or asset arising on the deferred benefit pension schemes.

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

20. Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2015 £'000	2014 £'000
- within one year	118	116
- between one and five years	83	136
- after five years	725	733
	926	985

21. Employee benefits

Defined contribution schemes

The Company operates defined contribution retirement benefit schemes for all qualifying employees. The total expense charged to profit or loss in the period ended 31 December 2015 was £396,000 (2014: £342,000).

Defined benefit schemes

The company participates in two group defined benefit scheme for qualifying employees:

The SPX UK Pension Scheme (previously the SPX UK Pension Plan) and the related costs are assessed in accordance with the advice of professionally qualified actuaries, Towers Watson.

The Dezurik International – Stanplan F scheme and the related costs are assessed in accordance with the advice of professionally qualified actuaries, KPMG.

SPX UK Pension Scheme and SPX UK Pension Plan)

The SPX UK Pension Scheme and SPX UK Pension Plan are funded defined benefit plans.

On 17 December 2014, the sponsoring employer of the SPX UK Pension Plan changed from SPX International Limited to Radiodetection Limited, and the Plan closed to future accrual on 1 March 2015. During 2015, a new pension scheme "SPX UK Pension Scheme" was set up and Radiodetection Limited is also the single sponsoring employer of this new arrangement.

The wind-up of the SPX UK Pension Plan was triggered during 2015. As part of the wind-up, certain members with relatively low value benefits were offered a winding-up lump sum to extinguish their benefit entitlement in the SPX UK Pension Plan. Now allowance is made for a settlement gain or loss from these lump sums as they are expected to be relatively small; however, the lump sums paid have been included in the benefits paid during 2015.

The remaining liabilities and the majority of the assets were transferred from the SPX UK Pension Plan to the SPX UK Pension Scheme in 2015. Although the wind-up of the SPX UK Pension Plan was triggered in 2015, it had not been completed ahead of 31 December 2015. As such, the SPX UK Pension Plan holds approximately £600,000 of residual assets as at 31 December 2015.

The Company has aggregated the two pension schemes for the purposes of these notes as both are subject to the same rules and risks, and any assets remaining once the wind-up of the SPX UK Pension Plan is complete will pass to the SPX UK Pension Scheme.

The Trustees and the Company have agreed that no contributions are required for the SPX UK Pension Scheme (other than contributions towards ongoing expenses) as there was a surplus at the most recent actuarial valuation as at 31 March 2015.

A comprehensive actuarial valuation was carried out by the trustees as at 31 March 2013 for funding purposes. The Company has employed an independent actuary to approximately update the results from the 31 March 2013 actuarial valuation allowing for differences between the actuarial assumptions used for funding purposes and those adopted by the Company to measure the Defined Benefit Obligation, as well as adjusting for benefits paid, accrual of benefits and special events between 31 March 2013 and 31 December 2015.

There is no contractual agreement or stated policy for charging the net defined benefit cost and therefore the sponsoring employer of the scheme recognises the whole of the scheme surplus or deficit in its financial statements. For 2014, this was SPX International Limited (a sister company before the spin off) for effectively the entire year, but changed to Radiodetection Limited on 17 December 2014. Therefore for 2014, due to the immaterial period between the change in sponsoring employer and the end of the year when the scheme's value was calculated, the Company has recognised only a cost equal to its contributions payable for the period, with the value of the surplus being transferred in to reserves as a capital contribution

Notes to the financial statements
For the year ended 31 December 2015

21. Employee benefits (continued)

The total cost related to the schemes was:

	2015 £'000	2014 £'000
Recognised as (income)/expense in the profit or loss account	(588)	1,119
Cost recognised in other comprehensive income	2,658	-
	2,070	1,119

The amount included in the balance sheet arising from the company's reimbursement rights in respect of the schemes is as follows:

	2015 £'000
Present value of defined benefit obligations	(72,687)
Fair value of scheme assets	82,266
Net asset recognised in the balance sheet	9,579

Movements in the value of defined benefit obligation were as follows:

	£'000
At 1 January 2015	76,631
Effect of employee service in the current period	44
Interest cost on the defined benefit obligation	2,691
Remeasurement of the defined benefit obligation	(1,318)
Scheme introductions, changes, curtailments and settlements	(926)
Scheme participants' contributions	12
Benefits paid from scheme assets	(4,734)
Termination benefits	287
At 31 December 2015	72,687

Movements in the fair value of scheme assets were as follows:

	£'000
At 1 January 2015	87,782
Interest income on scheme assets	3,119
Return on scheme assets greater/(less) than discount rate	(3,976)
Employer contributions	498
Scheme participants' contributions	12
Benefits paid	(4,734)
Administrative costs paid	(435)
At 31 December 2015	82,266

21. Employee benefits (continued)

	2015 £'000	2014 £'000
Return on scheme assets	(857)	17,753

Movements in the reimbursement right recognised as an asset were:

	£'000
At 1 January 2015	11,151
Effect of employee service in the current period	(44)
Interest income	428
Remeasurement of the defined benefit obligation	1,318
Return on scheme assets greater/(less) than discount rate	(3,976)
Scheme introductions, changes, curtailments and settlements	926
Employer contributions – paid by Radiodetection Limited	288
Employer contributions – paid by other group companies	210
Termination benefits	(287)
Administrative costs paid	(435)
At 31 December 2015	9,579

The scheme assets comprise the following:

	2015	2014
Equity securities	28.8%	74.7%
Debt securities	69.6%	20.6%
Real estate/property	0.0%	0.0%
Other assets	1.6%	4.7%
	100.0%	100.0%

None of the scheme assets includes any of the Company's own financial instruments (2014: £nil), nor are any of the scheme assets occupied by, or in use by, the Company (2014: £nil).

The principle actuarial assumptions used were:

	2015	2014
Discount rate	3.75%	3.65%
Price inflation (RPI)	3.15%	3.15%
Rate of salary increase	N/A	3.65%
Pension increases for in-payment benefits	2.95%	2.95%
Pension increases for deferred benefits	2.15%	2.15%
Male life expectancy at age 65	22.0	22.0
Female life expectancy at age 65	24.2	24.2
Male life expectancy at age 65 in 2030	23.6	23.6
Female life expectancy at age 65 in 2030	26.0	26.0

Notes to the financial statements
For the year ended 31 December 2015

21. Employee benefits (continued)

Dezurik International – Stanplan F

On 24 September 2015, Radiodetection Limited became the sponsoring employer of the Dezurik Interntational – Stan Plan F, which is a defined benefit arrangement. All benefit accruals under the scheme ceased with effect from 30 September 1999, although the wind-up on the scheme has not been triggered.

A full actuarial valuation was carried out at 31 December 2012 and the defined benefit obligation has been adjusted to the reporting date of 31 December 2015 using an approximate roll-forward approach, allowing for benefits paid to members over the period.

During 2015, Radiodetection Limited has paid employer contributions of £468,334 (2014: £nil).

The total cost related to the scheme was:

	2015 **£'000**
Recognised as (income)/expense in the profit or loss account	76
Income recognised in other comprehensive income	(226)
	(150)

The amount included in the balance sheet arising from the company's reimbursement rights in respect of the scheme is as follows:

	2015 **£'000**
Present value of defined benefit obligations	(5,132)
Fair value of scheme assets	5,164
Net asset recognised in the balance sheet	32

Movements in the value of defined benefit obligation were as follows:

	£'000
At 24 September 2015	5,189
Interest cost on the defined benefit obligation	47
Remeasurement of the defined benefit obligation	(78)
Benefits paid from scheme assets	(26)
At 31 December 2015	5,132

Notes to the financial statements
For the year ended 31 December 2015

21. Employee benefits (continued)

Movements in the fair value of scheme assets were as follows:

	£'000
At 24 September 2015	4,603
Interest income on scheme assets	46
Return on scheme assets greater/(less) than discount rate	148
Employer contributions	468
Benefits paid	(26)
Administrative costs paid	(75)
At 31 December 2015	5,164

	2015 £'000
Return on scheme assets	194

Movements in the reimbursement right recognised as an asset were:

	£'000
At 24 September 2015	(586)
Interest expense	(1)
Remeasurement of the defined benefit obligation	78
Return on scheme assets greater/(less) than discount rate	148
Employer contributions	468
Administrative costs paid	(75)
At 31 December 2015	32

The scheme assets comprise the following:

	2015
Equity securities	62.2%
Debt securities	29.2%
Other assets	8.6%
	100.0%

None of the scheme assets includes any of the Company's own financial instruments (2014: £nil), nor are any of the scheme assets occupied by, or in use by, the Company (2014: £nil).

Notes to the financial statements
For the year ended 31 December 2015

21. Employee benefits (continued)

The principle actuarial assumptions used were:

	2015
Discount rate	3.8%
Price inflation (RPI)	3.2%
Pension increases (CPI max 5%)	2.2%
Pension increases (fixed)	3.0%
Male life expectancy at age 65	22.3
Female life expectancy at age 65	24.3
Male life expectancy at age 65 in 2035	24.4
Female life expectancy at age 65 in 2035	26.7

22. Ultimate parent company and controlling party

The directors regard SPX Corporation, a company incorporated in the United States of America, as the ultimate parent company and the ultimate controlling party.

On 29 October 2014, SPX Corporation announced that its board of directors had unanimously approved a plan to spin-off its Flow Technology reporting segment in 2015 creating two independent publically traded companies, SPX Corporation and SPX FLOW Inc. In preparation for this, the immediate parent company of Radiodetection Limited changed on 30 June 2015 and is now SPX Germany Holding GmbH, a company incorporated in Germany.

SPX Corporation is the parent company of the largest and smallest group of which the company is a member and for which group financial statements are drawn up. The consolidated accounts of SPX Corporation are available to the public and may be obtained from the company's website (www.spx.com).

Notes to the financial statements
For the year ended 31 December 2015

23. Explanation of transition to FRS 102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard. In particular, a new policy covering Financial Instruments has been implemented, to ensure compliance with the more detailed requirements of FRS 102. In addition, FRS 102 no longer permits exemptions from defined benefit pension accounting for multi-employer group schemes. The company has therefore implemented a new policy covering defined benefit pensions.

Reconciliation of equity

Note		At 1 January 2014 £'000	At 31 December 2014 £'000
	Equity reported under previous UK GAAP	71,007	8,399
	Adjustments to equity on transition to FRS 102		
1	*Recognition of defined benefit pension surplus*	-	11,151
2	*Deferred tax liability on defined benefit pension surplus*	-	(2,230)
	Equity reported under FRS 102	71,007	17,320

Notes to the reconciliation of equity at 1 January 2014

1. Under the previous UK GAAP, all SPX group companies took the available exemption from accounting for the SPX UK Pension Scheme as a defined benefit scheme on the basis that it was a multi-employer scheme. Under FRS 102, this exemption is no longer available for multi-employer schemes were the entities are under common control and, Radiodetection Limited, as the sponsoring employer, has therefore recognised the surplus on the Scheme at the end of 2014.
2. The company has recognised a deferred tax liability in relation to the defined benefit pension surplus recognised above.

Reconciliation of profit or loss for 2014
There is no difference in the profit for 2014 between the previous UK GAAP and FRS 102.