Registered number: 16033

SIEMENS RAIL AUTOMATION HOLDINGS LIMITED
(FORMERLY WESTINGHOUSE BRAKE AND SIGNAL HOLDINGS LIMITED)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 APRIL 2012 TO 2 MAY 2013

SIEMENS RAIL AUTOMATION HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS	S J Barry O Yilmaz (appointed 03/05/2013)
COMPANY SECRETARY	C Carless
COMPANY NUMBER	16033
REGISTERED OFFICE	Faraday House Sir William Siemens Square Frimley Camberley Surrey GU16 8QD UK
AUDITOR	Ernst & Young LLP The Paragon Counterslip Bristol BS1 6BX

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DIRECTORS' REPORT
FOR THE PERIOD ENDED 2 MAY 2013

The directors of Siemens Rail Automation Holdings Limited (the "Company") present their report and the financial statements for the period from 1 April 2012 to 2 May 2013. The comparative figures are for the year ended 31 March 2012.

On 25 June 2013 Westinghouse Brake and Signal Holdings Limited changed its name to Siemens Rail Automation Holdings Limited.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the period continued to be the design, manufacture and installation of railway signalling systems. The directors do not expect any change in the principal activity during the next financial year.

The period ended 2 May 2013 delivered lower sales at £261,014k (compared to £282,349k for the year ended 31 March 2012).

Orders received in the period ended 2 May 2013 increased to £414m (2012: £220m) up 188%. This includes £127m awarded under the Thameslink framework and reflects the increased volume of contracts being issued by Network Rail under the frameworks won the previous year, with notable contract awards including Great Northern/Great Eastern and Watford projects.

During the period there were notable achievements within the Network Rail portfolio. Major project commissionings over the period included Newport, Reading, Selby, and Swindon. The period also saw successful completion of the Victoria Line Asset Replacement project.

Outside the UK the Company continued to deliver on existing contracts in Asia and Northern Europe.

The loss before tax of £31,261k is higher than the previous year loss of £380k due to delayed profit recognition on some projects works under negotiation at period end and higher technology investment to support future growth.

RESULTS AND DIVIDENDS

The loss for the period, after taxation, amounted to £31,554k (2012: loss £416k).There was no dividend paid during the period (2012: £nil). The directors do not recommend a dividend for the period ended 2 May 2013.

The Company's key financial and other performance indicators during the period were as follows:

	2013	2012	% Change
	£000	£000	
Turnover	**261,014**	282,349	(7.56)
Total operating (loss)/ profit before exceptional items and special pension contribution	**(17,409)**	23,915	(172.80)
(Loss) before taxation	**(31,261)**	(380)	(8126.58)
(Loss) after tax	**(31,554)**	(416)	(7485.10)
Shareholders' funds	**243,368**	288,644	(15.69)
	No.	No.	
Employees at period end	**1,616**	1,758	**(8.08)**

DIRECTORS

The directors who served during the period were:

S J Barry
A Bryan – resigned 20 May 2013
N Crossfield – resigned 29 November 2013
V M Hull – resigned 30 January 2013
K C Smith – resigned 30 January 2013

On 3 May 2013 A D Hall and O Yilmaz were appointed as directors of the Company. A D Hall subsequently resigned on 31 March 2014

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The directors benefited from qualifying third party indemnity provisions in place during the period and at the date of this report.

PRINCIPAL RISKS AND UNCERTAINTIES

Timing and frequency of contract awards
The revenue of the Company depends on a small number of large customers, such as Network Rail and London Underground. New contract awards are generally associated with major transport infrastructure upgrades which by their nature are large and infrequent. Funding for these new projects is frequently dependent on governmental investment decisions and these may be affected by changes in political and economic conditions. As a result, the timing of contract awards is uncertain and delays in awards may result in volatility in the results and have a material adverse effect on the Company's business, financial condition and results of operations.

Undertaking large, long-term projects could expose the Company to risk of loss
A significant part of the Company's business involves long-term projects that can take many years to complete. These projects may be subject to delays and cost overruns due to delays in equipment deliveries, engineering problems, unanticipated cost increases, shortages of materials or skilled labour, customer programme delays or other unforeseen problems.

Competitive and technology risks
The Company operates in highly competitive markets and the Company's products and services are characterised by evolving industry standards and changing technology driven by the demands of customers. Failure to keep pace with technological changes and product requirements may result in loss of market share and lower margins.

RESEARCH AND DEVELOPMENT ACTIVITIES

The Company carries out research and development in support of its activities (see note 3 to the accounts).

FUTURE DEVELOPMENTS

The Company's strategy is to restore its profitability through consistent contract delivery and by maintaining a strong order book.

EVENTS SINCE THE BALANCE SHEET DATE

On 28 November 2012 the Invensys group announced the sale of its Rail Automation business to Siemens which included the Company. The sale was concluded on 2 May 2013.

Since the end of the period the Company has made a cash payment of £400m to the Invensys Pension Scheme.

SUPPLIER PAYMENT POLICY

It is Company policy in respect of its suppliers to develop long term relationships with them which includes making payments consistent with established practices agreed with suppliers and ensuring that they are aware of the terms of payment and those terms are followed.

The average number of days purchases included within creditors on 2 May 2013 was 70 (2012: 62).

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the period, the Company made various charitable donations totalling £7k (2012: £5k).

EMPLOYEE INVOLVEMENT

Information concerning employees and their remuneration is given in note 6.

The Company also recognises the need to provide information on matters of concern to employees. To satisfy that need, the Company provides employees with published financial and economic information through its consultative procedure.

EQUAL OPPORTUNITIES

The Company is committed to equal opportunities for all, free from discrimination and harassment. The Company values the contribution of all employees. All job applicants and employees, customers, visitors or contractors will receive equal treatment regardless of sex, race, disability, sexual orientation, religion or belief, age, colour, marital status, trade union membership, nationality or ethnic or national origins.

Within the Company, applicants and employees will be recruited, selected, trained and promoted on objective grounds, i.e. on the basis of their abilities to contribute most effectively to the success of the Company. Wherever possible, we will assist disabled employees to enable them to work for the Company and maximise their contribution and performance.

AUDITOR

In accordance with section 487(2) of the Companies Act 2006, Ernst and Young LLP will continue in office as auditor of the Company.

PROVISION OF INFORMATION TO AUDITOR

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

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

DIRECTORS' REPORT
FOR THE PERIOD ENDED 2 MAY 2013

GOING CONCERN

At the date of signing these accounts, with reference to the matters discussed in the post balance sheet events note, the Company is in a net liability position. Siemens AG has confirmed that it intends to provide financial support to the Company, which together with their assessment of the ongoing operations is in the directors' opinion sufficient to meet the Company's liabilities for at least 12 months from the date of signing these financial statements. Thus the Company continues to adopt the going concern basis of accounting.

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

Stephen Barry
Director

Date: 8 April 2014

Registered Office:
Faraday House
Sir William Siemens Square
Frimley
Camberley
Surrey
GU16 8QD

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 2 MAY 2013

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

Company law requires the directors to prepare financial statements for each financial period. 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SIEMENS RAIL AUTOMATION HOLDINGS LIMITED

We have audited the financial statements of Siemens Rail Automation Holdings Limited for the period ended 2 May 2013, which comprise the Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses and the related notes 1 to 30. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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 Directors' Report and Financial Statements to identify material inconsistencies with the audited financial statements. 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 2 May 2013 and of its loss for the period 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SIEMENS RAIL AUTOMATION HOLDINGS LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Paul Mapleston (Senior Statutory Auditor)

for and on behalf of
Ernst & Young LLP

Statutory Auditor

Bristol

Date: 10 April 2014

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 2 MAY 2013

	Note	2013 £000	2012 £000
TURNOVER	2	**261,014**	282,349
Cost of sales		**(249,241)**	(227,618)
GROSS PROFIT		**11,773**	54,731
Administrative expenses		**(16,439)**	(24,557)
Other operating charges		**(26,683)**	(19,090)
OPERATING (LOSS)/PROFIT	3	**(31,349)**	11,084
EXCEPTIONAL ITEMS	8		
Net (loss)/profit on sale of tangible fixed assets	8	**(29)**	132
Other exceptional items	8	**(862)**	(8)
Restructuring credit/(costs)	8	**1,511**	(10,925)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		**(30,729)**	283
Interest receivable and similar income	9	**14**	33
Interest payable and similar charges	10	**(1,228)**	(1,280)
Other finance income	7	**682**	584
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		**(31,261)**	(380)
Tax on (loss) on ordinary activities	11	**(293)**	(36)
(LOSS) FOR THE FINANCIAL YEAR	24	**(31,554)**	(416)

All amounts relate to continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE PERIOD ENDED 2 MAY 2013

	Note	2013 £000	2012 £000
(LOSS) FOR THE FINANCIAL YEAR		**(31,554)**	(416)
Actuarial (loss) related to pension scheme	7	**(15,041)**	(4,867)
Foreign currency exchange		**-**	7
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE PERIOD		**(46,595)**	(5,276)

BALANCE SHEET AS AT 2 MAY 2013

	Note	£000	2013 £000	£000	2012 £000
FIXED ASSETS					
Intangible assets	12		**11,951**		14,451
Tangible assets	13		**6,689**		6,454
Investments	14		**37**		38
			18,677		20,943
CURRENT ASSETS					
Stocks	15	**10,401**		7,780	
Debtors: amounts falling due after more than one year	16	**4,723**		4,373	
Debtors: amounts falling due within one year	16	**78,022**		402,926	
Cash at bank and in hand		**311,482**		2,049	
		404,628		417,128	
CREDITORS: amounts falling due within one year	17	**(111,639)**		(98,702)	
NET CURRENT ASSETS			**292,989**		318,426
TOTAL ASSETS LESS CURRENT LIABILITIES			**311,666**		339,369
CREDITORS: amounts falling due after more than one year	18		**-**		(7)
PROVISIONS FOR LIABILITIES					
Other provisions	20		**(15,843)**		(11,311)
NET ASSETS EXCLUDING PENSION SCHEME ASSETS/(LIABILITIES)			**295,823**		328,051
Defined benefit pension scheme liability	7		**(52,455)**		(39,407)
NET ASSETS INCLUDING PENSION SCHEME ASSETS/(LIABILITIES)			**243,368**		288,644
CAPITAL AND RESERVES					
Called up share capital	21		**10,664**		10,664
Profit and loss account	22		**232,704**		277,980
SHAREHOLDERS' FUNDS	24		**243,368**		288,644

BALANCE SHEET AS AT 2 MAY 2013 (Continued)

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

O Yilmaz
Finance Director

Date: 8 April 2014

The notes on pages 12 to 37 form part of these financial statements.

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

1.2 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Cash Flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts.

Turnover is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. The following criteria must also be met before turnover is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of goods.

Service contracts

Revenue from long-term service provision contracts is recognised by reference to the stage of completion of contract activity at the balance sheet date. This is normally determined by the proportion that contract costs incurred to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion.
If the nature of a particular contract means that costs incurred do not accurately reflect the progress of contract activity, an alternative approach is used such as the achievement of pre-determined contract milestones. Profit attributable to the contract activity is recognised if the final outcome of such contracts can be reliably assessed. On all contracts, full provision is made for any losses in the period in which they are first foreseen.

ACCOUNTING POLICIES (Continued)

1.5 Research and development

Research and development expenditure is written off in the year in which it is incurred, except that development expenditure on an individual project is carried forward when its future recoverability can be reasonably regarded as assured.

Any expenditure carried forward is amortised in line with expected future sales that relates to that project.

1.6 Pensions

The Company contributes to personal pension plans as stated below:

i) Invensys Pension Scheme
The majority of UK based employees of the Company belong to the Invensys Pension Scheme, a defined benefit scheme.

The Company is unable to separately identify on a consistent and reasonable basis its share of the underlying assets and liabilities of the Invensys Pension Scheme to which it participates and therefore accounts for this scheme as a defined contribution scheme, in accordance with the provisions of FRS 17.

ii) The Railways Pension Scheme
In January 1998 the Company acquired the assets and business of Signalling Control UK Limited. Employees of Signalling Control UK Limited retained the right to continue as members of the Signalling Control UK Limited Shared Cost Section of The Railways Pension Scheme.

The service cost of providing retirement benefits to employees during the period is charged to operating profit or loss in the period. The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit actuarial valuation method. The full cost of providing amendments to benefits in respect of past service that vest immediately is also charged to operating profit or loss in the period. The expected return on the assets of the schemes during the year based on the market value of scheme assets at the start of the financial period is included within other net finance income/(charges). This also includes a charge representing the expected increase in liabilities of the schemes during the period, arising from the liabilities of the scheme being one year closer to payment. Differences between actual and expected returns on assets during the year are recognised in the statement of total recognised gains and losses in the period, together with differences from changes in assumptions and experience gains and losses on scheme liabilities.

The net deficit on defined benefit pension schemes is reported on the balance sheet within the pension liability. This is net of related deferred tax.

iii) Defined Contribution Scheme
The amount charged to the profit and loss account in respect of defined contribution pension costs represents the contributions payable in the period. Differences between contributions payable and contributions actually paid in the period are shown either as accruals or prepayments in the balance sheet.

ACCOUNTING POLICIES (Continued)

1.7 Intangible fixed assets and amortisation

Goodwill

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and Loss Account over its estimated economic life.

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its presumed useful economic life of twenty years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Intangible assets – Other

Other intangible assets consist of computer software (where not integral to related hardware) and patents, licences and trademarks.

All intangible assets are recognised at cost (purchase price plus any directly attributable costs).

They are amortised over the useful life of the asset, in the range of three to ten years.

1.8 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2 - 2.5%
Plant & machinery	-	7 - 35%
Freehold land	-	Nil

Impairment of tangible fixed assets

Impairment reviews are undertaken if there are indications that the fixed assets carrying values may not be recoverable.

1.9 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

1.10 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

ACCOUNTING POLICIES (Continued)

1.11 Investments

Investments in subsidiary undertakings are held at cost less provisions for impairment where a permanent diminution in value has been identified.

1.12 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

The net realisable value of long term contracts has been arrived at having regard to estimated cost to completion.

1.13 Cash and Borrowings

Cash at bank and in hand at the balance sheet date are deducted from bank loans and overdrafts where formal rights of set-off exist.

1.14 Borrowing costs

Borrowing costs are recognised as an expense when incurred.

1.15 Taxation

Deferred income tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax, in the future. Timing differences arise from the inclusion of income and expenditure in taxation computations in periods different to those in which they are included in the financial statements.

Deferred income tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred income tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.16 Share-based payments

The Invensys Group operates various equity-settled and cash-settled share schemes. For equity-settled share options, the services received from employees are measured by reference to the fair value of the share options. The fair value is calculated at grant date using a valuation model and recognised in the profit and loss account, together with a corresponding increase in shareholders' equity, on a straight-line basis over the vesting period, based on an estimate of the number of options that will eventually vest. Vesting conditions, other than market conditions, are not taken into account when estimating the fair value. Market conditions are those conditions that are linked to the share price of Invensys plc.

For equity-settled share award schemes, the fair value is calculated based on the share price at the grant date and, where applicable, any market vesting conditions, and expensed over the vesting period based on the number of shares expected to vest. No expense is recognised for awards that do not ultimately vest, with the exception of awards where vesting is conditional upon a market condition; these are treated as vesting irrespective of whether or not the market condition is satisfied, provided

ACCOUNTING POLICIES (Continued)

that all other performance conditions are met.

For cash-settled share awards, the services received from employees are measured at the fair value of the liability and recognised in the profit and loss account on a straight-line basis over the vesting period. The fair value of the liability is re-measured at each reporting date and at the date of settlement with changes in fair value recognised in the profit and loss account.

1.17 Going concern

At the date of signing these accounts, with reference to the matters discussed in the post balance sheet events note 29 and the directors' report, the Company is in a net liability position. Siemens AG has confirmed that it intends to provide financial support to the Company, which together with their assessment of the ongoing operations is in the directors' opinion sufficient to meet the Company's liabilities for at least 12 months from the date of signing these financial statements. Thus the Company continues to adopt the going concern basis of accounting.

2. TURNOVER

Turnover is all attributable to the same type of business, namely the design, manufacture and installation of railway signalling systems. A geographical analysis of turnover is as follows:

	2013	2012
	£000	£000
United Kingdom	**201,026**	209,227
Rest of Europe	**20,254**	16,579
Americas	**159**	19
Asia Pacific	**39,522**	56,524
Africa and Middle East	**53**	-
	261,014	282,349

3. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging/(crediting):

	2013	2012
	£000	£000
Amortisation - intangible fixed assets	**2,402**	2,085
Depreciation of tangible fixed assets:		
- owned by the company	**1,834**	1,980
- held under finance leases	**69**	145
Operating lease rentals:		
- plant and machinery	**95**	213
- land and buildings	**2,541**	2,951
Foreign exchange (gain)/loss	**(274)**	28
Research and development expenditure	**8,783**	12,677
Other operating charges	**4,384**	6,231
Exceptional item: Accelerated pension contribution (see below)	**13,940**	12,831

The £13,940k relates to a contribution by the Company in respect of a pension deficit reduction payment to the Invensys Pension Scheme (2012: £12,831k).

4. AUDITOR'S REMUNERATION

	2013 £000	2012 £000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	231	152
Fees payable to the Company's auditor and its associates in respect of:		
Other services relating to taxation	15	25
Other non-audit fees	11	4

5. DIRECTORS' REMUNERATION

	2013 £000	2012 £000
Emoluments	913	868
Amounts receivable under long-term incentive schemes	30	578
Company contributions to money purchase pension schemes	98	134
Compensation for loss of office	-	128

The number of directors in receipt of shares in respect of qualifying services under a long-term incentive scheme was 1 (2012: 2).

In accordance with the provisions of FRS 17, retirement benefits accruing to directors under the Invensys Pension Scheme, a defined benefit scheme, are accounted for as contributions to a defined contribution scheme and therefore are included in the amount shown above.

During the period retirement benefits were accruing to 3 directors (2012: 2) in respect of defined contribution pension schemes.

During the period retirement benefits were accruing to 2 directors (2012: 2) in respect of defined benefit pension schemes.

The highest paid director received remuneration of £445k (2012: £463k).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £37k (2012: £51k).

The highest paid director did not exercise any share options during the period ended 2 May 2013.

Subsequently as a result of the sale of the Company on 2 May 2013, the highest paid director exercised 20,000 share options on 5 June 2013 and 93,038 share options on 17 June 2013.

6. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2013 £000	2012 £000
Wages and salaries	91,276	94,246
Social security costs	5,848	5,762
Pension and other payroll costs	24,703	24,299
	121,827	124,307

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

	2013 No.	2012 No.
Marketing and distribution	25	28
Production	1,440	1,467
Technical	111	166
Finance and administration	81	74
	1,657	1,735

Included in wages and salaries is a total share-based payment expense of £1,414k (2012: £331k) of which £1,414k (2012: £331k) arises from transactions accounted for as equity settled share-based payment transactions.

Included in pension costs is a total accelerated pension contribution of £13,940k (2012: £12,831k).

7. PENSIONS

i) Invensys Pension Scheme

The Company participates in the Invensys UK Pension Scheme. The Invensys UK Pension Scheme is a funded defined benefit scheme. However, the Company is unable to separately identify its share of the underlying assets and liabilities of this defined benefit scheme to which it participates on a consistent and reasonable basis mainly because of the difficulty in obtaining accurate information for disposed companies and the subjective nature of any allocation basis. Therefore the Company accounts for this scheme as a defined contribution scheme, in accordance with the provisions of FRS 17. The scheme is currently in deficit on an IAS 19 basis using the projected credit actuarial valuation method to determine the scheme's liabilities. Details of the scheme and its deficit are included in Note 25 to the group financial statements of Invensys plc in accordance with the accounting and disclosure requirements of IAS 19, which are generally equivalent to those of FRS 17.

Pension costs in respect of the Invensys UK Pension Scheme represented contributions payable in the period and amounted to £4,502k (2012: £4,788k).

In addition to the above, the Company incurred costs in respect of pension deficit reduction payments to the Invensys Pension Scheme amounting to £13,940k (2012: £12,831k) (see note 3 to the accounts).

7. PENSIONS (Continued)

Since the end of the period the Company has made a cash payment of £400m to the Invensys Pension Scheme.

ii) The Railways Pension Scheme

(i) General
In January 1998 the Company acquired the assets and business of Signalling Control UK Ltd. Employees of Signalling Control UK Limited retained the right to continue as members of the Signalling Control UK Limited Shared Cost Section of The Railways Pension Scheme.

This is a funded defined benefit scheme under which costs in respect of future accrual on an ongoing valuation basis are shared between the employer and the employees in the ratio 60:40. The costs shown in relation to accruing benefits will represent the total cost less any cash contributions made by the employees.

The last full actuarial valuation of the Scheme was carried out as at 31 December 2010. This has been updated to 2 May 2013 by an independent qualified actuary in accordance with FRS 17.

In line with the advice of the Scheme Actuary, the Company pays contributions to the Scheme at the rate of 17.22% of section pay. These Company contributions amounted to £6,388k (2012: £4,927k) over the period. Note that this contribution amount does not include the employer contributions in respect of the matching AVC arrangement (British Rail Additional Superannuation Scheme "BRASS contributions") which were paid in addition.

(ii) Balance sheet reconciliation

The assets and liabilities of the scheme at 2 May are:

Scheme assets at fair value	**2013**	2012
	£000	£000
Growth Assets	**121,538**	109,052
Government bonds	**3,286**	5,574
Non-Government bonds	**3,286**	-
Other Assets	**820**	305
Fair value of scheme assets	**128,930**	114,931
Present value of scheme liabilities	**(181,385)**	(154,338)
Deficit in the scheme before tax	**(52,455)**	(39,407)
Related deferred tax (liability)/asset	**-**	-
Net liability in the balance sheet	**(52,455)**	(39,407)

7. PENSIONS (Continued)

(iii) Income and expenses

The amounts that have been charged to the profit and loss account and statement of total recognised gains and losses under FRS 17 are set out below:

	2013 £000	2012 £000
Analysis of amounts charged to operating profit		
Current service cost	**(5,077)**	(5,626)
Total operating charges	**(5,077)**	(5,626)
Analysis of amounts (charged)/credited to other finance income/(charges)		
Expected return on pension scheme assets	**9,047**	8,501
Interest on pension scheme liabilities	**(8,365)**	(7,917)
Net other finance income	**682**	584
Analysis of amounts recognised in the statement of total recognised gains and losses		
Actual return less expected return on scheme assets	**2,596**	(5,247)
Experience (loss)/gain on the scheme liabilities	**(6,845)**	4,326
Changes in assumptions underlying the present value of the plan liabilities	**(10,792)**	(3,946)
Actuarial (loss) recognised in the statement of total recognised gains and losses	**(15,041)**	(4,867)

The cumulative amount of actuarial gains and losses recognised since 1 April 2002 (the date of first implementation of FRS 17) in the statement of total recognised gains and losses is a loss of £45,149k (2012: loss of £30,108k).

(iv) Major assumptions

The major assumptions used in calculating the liabilities of the scheme under FRS 17 are as follows:

	2013 %	2012 %
Rates of increase in salaries *	**4.20**	4.85
Rates of increase to pension in payment (CPI)	**2.30**	2.60
Discount rate for scheme liabilities	**4.21**	4.90
Price inflation rates (RPI)	**3.30**	3.60

* with an additional 0.75% promotional salary scale

7. PENSIONS (Continued)

The assumed average expectation of life in years at age 65 is as follows:

		2 May 2013	31 March 2012
Male currently age 65	Pension under £9,300 pa or pensionable pay under £35,000 pa	**20.6**	20.5
	Others	**22.8**	22.6
Male currently age 45	Pension under £9,300 pa or pensionable pay under £35,000 pa	**23.0**	22.8
	Others	**25.0**	24.9
Female currently age 65	Pension under £3,300 pa or pensionable pay under £35,000 pa	**22.5**	22.4
	Others	**24.9**	24.8
Female currently age 45	Pension under £3,300 pa or pensionable pay under £35,000 pa	**25.0**	24.9
	Others	**27.3**	27.1

The expected long-term rate of return and market value of the scheme assets at 2 May are:

	2 May 2013 %	31 March 2012 %
Growth assets	**7.00**	7.40
Government bonds	**3.04**	3.29
Non-Government bonds	**4.06**	-
Other assets	**2.70**	2.80

The expected return on each asset class has been determined on the basis of market expectations for the rate of return on each asset class over the life of the related obligation, at the balance sheet date. In respect of the Railway Pension Scheme, Government and Corporate Bond indices have been used to set the expected rate of return on bonds subject to an adjustment for the risk of default, and a risk premium has been applied to determine the expected long-term rate of return on equity investments.

(v) Changes in fair value of plan assets and present value of scheme liabilities
Movement in the fair value of the scheme assets are analysed below:

	2013 £000	2012 £000
Scheme assets at beginning of period	**114,931**	111,700
Expected return on scheme assets	**9,047**	8,501
Actuarial (loss)/gain	**2,596**	(5,247)
Contributions by the Company	**6,388**	4,927
Contribution by scheme participants	**491**	516
Benefits paid	**(4,523)**	(5,466)
Scheme assets at end of period	**128,930**	114,931
Actual return on scheme assets	**11,643**	3,254

7. PENSIONS (Continued)

Movement in the present value of the scheme liabilities are analysed below:

	2013 £000	2012 £000
Scheme liabilities at beginning of period	**(154,338)**	(146,125)
Current service cost	**(5,077)**	(5,626)
Benefit payments	**4,523**	5,466
Employee contributions	**(491)**	(516)
Interest cost	**(8,365)**	(7,917)
Actuarial (loss) / gain	**(17,637)**	380
Scheme liabilities at end of period	**(181,385)**	(154,338)

(vi) History of scheme assets and liabilities and experience adjustments

	2013 £000	2012 £000	2011 £000	2010 £000	2009 £000
Present value of the scheme liabilities	**(181,385)**	**(154,338)**	(146,125)	(153,690)	(111,722)
Fair value of the scheme assets	**128,930**	**114,931**	111,700	101,253	73,088
Deficit in the scheme	**(52,455)**	**(39,407)**	(34,425)	(52,437)	(38,634)
Experience adjustments on scheme liabilities	**(6,845)**	**4,326**	(4,414)	(68)	10,297
Experience adjustments on scheme assets	**2,596**	**(5,247)**	333	20,356	(33,988)

iii) Defined Contribution Schemes

Pension costs charged in the period represent contributions payable in the period and amounted to £1,199k (2012: £860k).

8. EXCEPTIONAL ITEMS

	2013 £000	2012 £000
Restructuring credit/(costs)	**1,511**	(10,925)
Net (loss)/profit on sale of tangible fixed assets	**(29)**	132
Impairment of intangible assets	**(862)**	(8)
	620	(10,801)

Restructuring costs include £2,271k (2012: £8,295k) redundancy costs as a result of organisational re-design.

9. INTEREST RECEIVABLE

	2013 £000	2012 £000
Other interest receivable	**14**	33

10. INTEREST PAYABLE

	2013 £000	2012 £000
On finance leases and hire purchase contracts	**3**	16
On loans from Invensys group undertakings	**1,192**	1,264
Other interest payable	**33**	-
	1,228	1,280

11. TAXATION

	2013 £000	2012 £000
Analysis of tax charge in the period		
UK corporation tax charge on (loss) for the period	-	-
Foreign tax on income for the period	**293**	36
Tax on (loss) on ordinary activities	**293**	36

Factors affecting tax charge/(credit) for the period

The UK corporation tax charge on profit for the period differs from the standard rate of corporation tax in the UK of 23.923% (2012: 26%). The differences are explained below:

	2013 £000	2012 £000
(Loss) on ordinary activities before tax	**(31,261)**	(380)
(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.923% (2012: 26%)	**(7,479)**	(99)
Effects of:		
Expenses not deductible for tax purposes	**443**	430
Overseas tax charge	**293**	36
Other timing differences leading to an increase in taxation	**752**	25
UK to UK transfer pricing interest adjustment	**(824)**	(738)
Trading losses	**7,108**	-
Group relief surrender	-	382
Current tax charge for the period (see note above)	**293**	36

11. TAXATION (Continued)

Factors that may affect future tax charges

As a UK resident Company formerly part of the Invensys plc Group the Company was eligible to surrender UK group relief to, or claim UK group relief from, other Invensys plc Group companies. These claims and/or surrenders could have been made with or without charge.

Details of deferred tax not recognised can be found in Note 19.

Tax on Exceptional Items

As a result of the Company not having a tax charge for the period, there is no further tax impact to be disclosed for the Exceptional Items in note 8.

12. INTANGIBLE FIXED ASSETS

	Computer Software £000	Goodwill £000	Total £000
Cost			
At 1 April 2012	6,206	30,946	37,152
Additions	765	-	765
At 2 May 2013	6,971	30,946	37,917
Amortisation			
At 1 April 2012	636	22,065	22,701
Charge for the period	729	1,673	2,402
Impairment charge	863	-	863
At 2 May 2013	2,228	23,738	25,966
Net book value			
At 2 May 2013	4,743	7,208	11,951
At 31 March 2012	5,570	8,881	14,451

13. TANGIBLE FIXED ASSETS

	Land and buildings £000	Plant and machinery £000	Total £000
Cost			
At 1 April 2012	4,748	27,283	32,031
Additions	-	2,168	2,168
Disposals	(144)	(847)	(991)
At 2 May 2013	4,604	28,604	33,208
Depreciation			
At 1 April 2012	3,126	22,451	25,577
Charge for the period	382	1,521	1,903
On disposals	(114)	(847)	(961)
At 2 May 2013	3,394	23,125	26,519
Net book value			
At 2 May 2013	1,210	5,479	6,689
At 31 March 2012	1,622	4,832	6,454

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2013 £000	2012 £000
Plant and machinery	3	72

The net book value of plant and machinery includes an amount of £3k (2012: £72k) for assets held under capitalised finance leases in respect of which £69k (2012: £145k) of depreciation was charged.

The net book value of land and buildings at 2 May comprises:

	2013 £000	2012 £000
Freehold	134	137

14. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000
Cost or valuation	
At 1 April 2012 and 2 May 2013	37
Net book value	
At 2 May 2013	37
At 31 March 2012	38

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Siemens Rail Automation Limited (formerly Invensys Rail Limited)	Ordinary	100%
Siemens Rail Automation Ltda (formerly Invensys Rail Projectos de Transporte Ltda)	Ordinary	99.99%

Name	Business	Country of incorporation
Siemens Rail Automation Limited	Dormant	England & Wales
Siemens Rail Automation Ltda	Trading (see below)	Brazil

Siemens Rail Automation Limited (formerly Invensys Rail Limited) acts as an agent for Siemens Rail Automation Holdings Limited

Both Siemens Rail Automation Limited (as an agent for the Company) and Siemens Rail Automation Ltda are engaged in the business of signalling telecommunications and other systems and equipment for the operation, control, protection, supervision and management of or for use of or in connection with railways, railway trains, locomotives and rolling stock road and other vehicles and mobile machinery.

15. STOCKS

	2013 £000	2012 £000
Raw materials	**6,883**	3,627
Work in progress	**3,518**	4,153
	10,401	7,780

The current replacement cost of stock does not differ materially from the historical cost stated above.

16. DEBTORS

	2013 £000	2012 £000
Due after more than one year		
Other debtors	**4,723**	4,373

	2013 £000	2012 £000
Due within one year		
Trade debtors	**8,656**	5,132
Amounts owed by Invensys group undertakings	**10,485**	330,840
Other debtors	**9,369**	5,152
Prepayments and accrued income	**4,610**	3,324
Amounts recoverable on long term contracts	**44,902**	58,478
	78,022	402,926

17. CREDITORS:
Amounts falling due within one year

	2013 £000	2012 £000
Payments received on account	**11,173**	7,212
Net obligations under finance leases and hire purchase contracts	**3**	156
Trade creditors	**41,786**	51,818
Amounts owed to Invensys group undertakings	**39,515**	19,861
Social security and other taxes	**7,456**	13,425
Other creditors	**5,573**	2,537
Accruals and deferred income	**6,133**	3,693
	111,639	98,702

Included within other creditors are outstanding amounts in respect of defined benefit schemes payable at the balance sheet date of £415k (2012: £424k).

18. CREDITORS:

Amounts falling due after more than one year

	2013 £000	2012 £000
Net obligations under finance lease and hire purchase contracts	**-**	7
	-	7

19. DEFERRED TAXATION

Deferred tax assets not recognised in the balance sheet are as follows:

	2013 £000	2012 £000
Accelerated capital allowance	**(910)**	(1,198)
Short term timing difference	**(3,711)**	(2,993)
Railway Pension Scheme deficit	**(12,264)**	(9,520)
Trading losses carried forward	**(6,834)**	-
Total	**(23,719)**	(13,711)

The deferred tax assets have not been recognised since there is no persuasive evidence that there will be suitable taxable profits against which the timing differences will reverse. It is likely that the assets will be recoverable once suitable taxable profits are generated.

The standard rate of UK corporation tax will reduce to 23% from 1 April 2014. Deferred tax not recognised has therefore been calculated using the standard rate of UK corporation tax of 23% (2012: 24%).

As this legislation was substantively enacted by the balance sheet date it has been reflected in these financial statements.

The UK government intends to reduce the UK corporate income tax rate further, to 20%, which is to be enacted in subsequent Finance Bills. Consequently the Company will only recognise the rate change which is substantively enacted at that time in its financial statements.

For indicative purposes a reduction to the standard rate of UK corporation tax from 23% to 20% would reduce the deferred tax asset not recognised by £3,094k.

There are no unprovided deferred tax liabilities.

20. PROVISIONS

	Warranties £000	Restructuring £000	Contract Loss £000	Total £000
At 1 April 2012	440	5,693	5,178	11,311
Additions	-	734	21,651	22,385
Amounts used	-	(3,336)	(12,226)	(15,562)
Amounts reversed	(46)	(2,245)	-	(2,291)
At 2 May 2013	394	846	14,603	15,843

Warranties

Warranties relate to products and services sold. A provision is made for product warranty claims to the extent that the Company has a current obligation under warranties given and based on historic warranty claims experience.

Restructuring

A provision of £846k has been recognised for the restructuring of the UK business as a result of the

20. PROVISIONS (continued)

Business Improvement Plan (BIP) announced in April 2011; the provision is expected to be substantially utilised within one year of the balance sheet date.

Contract Loss

A provision of £14,603k has been recognised for anticipated losses on long term contracts currently in progress. It is expected that the contracts will complete within five years of the balance sheet date.

21. SHARE CAPITAL

	2013 £000	2012 £000
Allotted, called up and fully paid		
42,656,544 Ordinary shares of £0.25 each	**10,664**	10,664

22. RESERVES

	Profit and loss account £000
At 1 April 2012	**277,980**
Loss for the period	**(31,554)**
Pension reserve movement	**(15,041)**
Share-based payments movement	**1,319**
At 2 May 2013	**232,704**

23. SHARE-BASED PAYMENTS

Invensys Plc, being the former ultimate parent undertaking of the Company operated various share schemes under which options and awards have been granted to employees of the Company and are outstanding as detailed below.

Plans for senior employees

Executive share options

Invensys 1998 Senior Executive Share Option Scheme

Grant details

An executive share option scheme under which options have been granted to directors and senior executives at no cost. Options are exercisable between the third and tenth anniversary of the grant date at a price equal to the average middle market quoted price of Invensys Plc's shares over the five dealing days which precede the date of grant. Options are satisfied by the issue of new shares or in the case of awards granted as share appreciation rights, in cash.

23. SHARE BASED PAYMENTS (Continued)

Vesting requirements

Performance requirements:
Earnings per share (EPS) performance of RPI + 12% over a three year period to be applied each year until the earlier of when the condition is met or the measurement period the last financial year of which is the year preceding that in which the option will lapse.

Service requirements: the option would be forfeited if the participant leaves employment, although options may be exercisable for a certain period of time in defined good leaver cases or with the consent of the Remuneration Committee of Invensys Plc.

Scheme use

No options were granted during the period ended 2 May 2013 or the year ended 31 March 2012.

Invensys Plc can no longer make grants under this scheme as the scheme expired in July 2008.

Details of executive share options outstanding under this scheme are as follows:

	2013		2012	
	Number of share options	**Weighted average exercise price (p)**	Number of share options	Weighted average exercise price (p)
Outstanding at the beginning of the period	-	-	20,148	1,307.31
Transfer out to other Group Companies	-	-	-	1,307.31
Granted during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Exercised during the period	-	-	-	-
Lapsed during the period	-	-	(20,148)	1,307.31
Outstanding at the end of the period	-	-	-	-
Exercisable at the end of the period	-	-	-	-

There were no executive share options outstanding at 2 May 2013 or 31 March 2012.

Long-term incentives

Invensys 2007 Executive Long Term Incentive Plan (2007 LTIP)

Grant details

A long-term incentive plan under which awards are granted to directors and senior executives at no (or nominal) cost. Depending on the country in which the participant is resident the award would be delivered using one of the following mechanisms: (a) a nominal price option award which is a right to acquire shares for a nominal payment (unless Invensys Plc determines otherwise); (b) a conditional share award; or (c) a cash award (granted in respect of a notional number of shares). Awards are normally subject to a three year performance period, commencing on the date of award. There is no retention period.

Vesting requirements

Performance requirements:

Awards will be subject to two independent performance conditions: (a) 35% of an award will be based on

23. SHARE BASED PAYMENTS (Continued)

growth in Invensys Plc's TSR relative to the constituent companies of the Standard & Poor's Global 1200 Capital Goods Index; and (b) 35% will be based on the compound annual growth rate in the Invensys Group's Earnings Per Share. There are no performance conditions applying to the remaining 30% of an award. In addition, the Invensys Plc Remuneration Committee retains discretion to ensure that, as a condition for vesting of shares, the underlying overall performance of the Invensys Group must be satisfactory.
Service requirements: if a participant is dismissed for cause before shares are released, the award will be forfeited. If a participant resigns their award will lapse unless the Invensys Plc Remuneration Committee exercise their discretion. If a participant's employment ceases for defined good leaver reasons or any other reason determined at the discretion of the Invensys Plc Remuneration Committee the financial performance tests will be measured at the normal vesting date and, subject to the outcome of the financial performance tests, the award will be pro-rated based on the period of service and released on the normal vesting date.

Scheme use

The 2007 LTIP is used as Invensys Plc's main share-based long term incentive plan under which share awards are granted. The first grants under this plan were made in the year ended 31 March 2008.

Grants made during the period ended 2 May 2013 and the year ended 31 March 2012 are detailed below:

	2013	2012
	LTIP awards granted	LTIP awards granted
Total number of awards granted	**764,287**	554,494
Weighted average fair value (p)	**215.01**	235.76
Exercise price	**N/A**	N/A
Expected volatility	**41.4%**	46.3%
Weighted average expected award life (years)	**3.0**	3.0
Expected dividend yield	**2.05%**	1.32%
Risk free interest rate	**0.87%**	2.36%

Details of relevant 2007 LTIP awards outstanding during the period are as follows:

	2013	2012
	Number of awards	Number of awards
Outstanding at the beginning of the period	**1,007,645**	1,428,828
Transferred in from other Invensys Group companies	**6,450**	194,843
Granted during the period	**764,287**	554,494
Dividends during the period	**14,584**	6,620
Forfeited during the period	**(9,254)**	(803,324)
Vested during the period	**(361,418)**	(245,298)
Lapsed during the period	**(1422,294)**	(128,518)
Outstanding at the end of the period	**-**	1,007,645

The weighted average share price at the date of vesting for the awards vested is £2.19 (2012: £2.68). The 2007 LTIP awards outstanding at the end of the period have a weighted average remaining contractual life of 0.0 years (2012: 1.6 years).

23. SHARE BASED PAYMENTS (Continued)

Following the sale of the Company to Siemens AG on 2 May 2013, the Remuneration Committee of Invensys Plc agreed that awards made under the LTIP would be released on the scheduled vesting date of the 2010 award (i.e. the third anniversary of the date of grant of the award), subject to performance conditions, and additionally, in respect of awards made in 2011 and 2012, a time pro-rating of 2/3rds and 1/3rd respectively.

Invensys Restricted Share Plan (RSP)

Grant details

A restricted share plan whereby awards, to be satisfied by the transfer of existing issued shares or in cash, are granted to certain senior employees at no cost. The vesting period for awards is determined separately for each award. Vesting periods normally fall between one and three years.
Vesting requirements

Performance requirements: awards are not subject to a specific performance condition apart from continued employment throughout the vesting period and satisfactory personal performance.

Service requirements: release of shares is generally subject to continued employment at the relevant date, although shares may be released early, on a pro-rata basis, in defined good leaver cases or for any other reason at the discretion of the Invensys Plc Remuneration Committee.

Scheme use

The plan is operated predominantly for senior executives in special circumstances, such as recruitment and retention situations.

Grants made during the period ended 2 May 2013 and the year ended 31 March 2012 are detailed below:

	2013	2012
	RSP awards granted	RSP awards granted
Total number of awards granted	**20,000**	52,051
Weighted average fair value (p)	**216.21**	313.10
Weighted average exercise price	**N/A**	N/A
Expected volatility	**N/A**	N/A
Weighted average expected award life (years)	**3.0**	2.1
Expected dividend yield	**0%**	0%
Risk free interest rate	**N/A**	N/A

Details of relevant RSP awards outstanding during the period are as follows:

	2013	2012
	Number of awards	Number of awards
Outstanding at the beginning of the period	**72,051**	30,732
Transferred out to other Group companies	-	18,561
Granted during the period	**20,000**	52,051
Dividends during the period	**2,229**	120
Vested during the period	**(84,280)**	(10,707)
Forfeited during the period	**(10,000)**	(18,706)
Outstanding at the end of the period	-	72,051

23. SHARE BASED PAYMENTS (Continued)

The weighted average share price at the date of vesting for the awards vested is £2.25 (2012: £3.07). The RSP awards outstanding at the end of the period have a weighted average remaining contractual life of 0.0 years (2012: 1.9 years).

Following the sale of the Company to Siemens AG on 2 May 2013, the Remuneration Committee of Invensys Plc agreed that awards made under the RSP should vest immediately following the change of control, and were released to participants as soon as practicable thereafter.

Invensys Deferred share plan (DSP)

Grant details

The DSP was introduced in 2007/08 to replace the Turnaround Bonus Overlay Plan (TBOP). Any bonus earned under the Executive Bonus Plan (EBP) for 2007/08 in excess of target performance is paid in deferred shares with any bonus earned up to the target performance being paid in cash. The shares are released to the individual after two years. All awards are satisfied by shares purchased in the market.

Vesting requirements

Performance requirements: the amount of shares granted is set by reference to the performance targets specified for the executive in the EBP.

Service requirements: save where a participant is dismissed for cause before the relevant release date, shares under award will be released to participants on the release date, unless the Invensys Plc Remuneration Committee in its absolute discretion should decide on a different release date.

Scheme use

The first grant under the DSP was made on 24 July 2009 and was used for all participants in the EBP who earned bonuses in excess of target. For 2008/09 onwards, where applicable, bonus in excess of target performance is only paid in deferred shares to executive directors and members of the Invensys Group leadership Team. Bonus payment for all other members of the EBP are paid entirely in cash.
No grants were made during the period ended 2 May 2013.

Details of relevant DSP awards outstanding at during the period are as follows:

	2013	2012
	Number of awards	Number of awards
Outstanding at the beginning of the period	-	73,232
Granted during the period	-	-
Dividends during the period	-	1,743
Vested during the period	-	(74,975)
Lapsed during the period	-	-
Outstanding at the end of the period	-	-

The weighted average share price at the date of vesting for the awards vested is £0.00 (2012: £3.13).

The DSP awards outstanding at the end of the period have a weighted average remaining contractual life of n/a years (2012: n/a years).

23. SHARE BASED PAYMENTS (Continued)

All employee schemes

Invensys Savings Related Share Option Scheme

Grant details

The Scheme operates in the UK, is based on a savings plan and is offered to eligible full and part-time employees. Options may be granted at up to a 20% discount to the market price of Invensys plc shares immediately preceding the date of invitation. The vesting period for the options is three years.

Vesting requirements

Performance requirements: the Scheme operates in the UK within specific tax legislation and is therefore not subject to performance conditions other than that a participant is required to complete the savings contract in order to exercise their options.

Service requirements: the general rule is that the option will forfeit if the participant leaves employment, although options may be exercisable for a certain period of time in defined good leaver cases.

Scheme use

The use of the Scheme and potential future launches are reviewed on a regular basis. An invitation was offered under this Scheme in the years ended 31 March 2010 and 31 March 2012.

The options granted under this Scheme during the period ended 2 May 2013 are detailed below:

	Options granted in the period ended 2 May 2013	Options granted in the year ended 31 March 2012
Total number of awards granted	**-**	662,205
Weighted average fair value (p)	**0p**	118.77p
Weighted average share price	**N/A**	N/A
Exercise price	**0.00p**	246.00p
Expected volatility	**0%**	46%
Expected option life (years)	**-**	-
Expected dividend yield	**0%**	1.32%
Risk free interest rate	**0%**	2.36%

Details of relevant options outstanding during the period are as follows:

	2013		2012	
	Number of share options	**Weighted average exercise price (p)**	Number of share options	Weighted average exercise price (p)
Outstanding at the beginning of the period	**1,382,581**	**207.09**	861,936	175.00
Transfer out to other Invensys Group companies	**-**	**0.00**	(12,909)	175.00
Granted during the period	**-**	**0.00**	662,205	246.00
Forfeited during the period	**(73,636)**	**224.88**	(34,853)	187.98
Exercised during the period	**(659,955)**	**175.20**	(19,387)	175.00
Lapsed during the period	**(101,621)**	**197.76**	(74,411)	204.51
Outstanding at the end of the period	**547,369**	**246.00**	1,382,581	207.09
Exercisable at the end of the period	**-**	**-**	-	-

23. SHARE BASED PAYMENTS (Continued)

The weighted average share price at the date of exercise for the options exercised is £1.75 (2012: £1.75).

Range of exercise prices for options outstanding at the end of the period:

	Number of Share Options	Weighted average exercise price (p)	Weighted average remaining contractual life (years)
2013			
175.00p	-	0.00	-
246.00p	547,369	246.00	1.20
	547,369	246.00	1.20
2012			
175.00p	757,680	175.00	0.42
246.00p	624,901	246.00	2.42
	1,382,581	207.09	1.33

Measurement of fair value

Share awards
An 'adjusted market value' method of valuation, based on market value at grant date and market-based performance conditions has been used to calculate the fair value of all share awards granted during the period.

Share options
The Black-Scholes option pricing model has been used to calculate the fair value of options granted during the period. These options were granted under savings related share option schemes for which vesting is not dependent on market conditions.

Expected volatility was based on both historical volatility of Invensys Plc's share price over the previous ten years and on the implied volatility of traded options of Invensys plc shares. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Share-based payment expense

The Company recognised total expenses of £1,414k (2012: £331k) related to equity-settled share-based payment transactions during the period.

24. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £000	2012 £000
Opening shareholders' funds	**288,644**	293,859
(Loss) for the period	**(31,554)**	(416)
Other recognised (losses)	**(15,041)**	(4,860)
Share-based payments	**1,319**	61
Closing shareholders' funds	**243,368**	288,644

Other recognised losses of (£15,041k) include actuarial loss of (£15,041k) (2012: loss of £4,867k) and foreign exchange reserve loss of (£0k) (2012: gain of £7k).

25. CAPITAL COMMITMENTS

At 2 May the Company had capital commitments as follows:

	2013 £000	2012 £000
Contracted for but not provided in these financial statements	430	421

26. OPERATING LEASE COMMITMENTS

At 2 May the Company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2013 £000	2012 £000	2013 £000	2012 £000
Expiry date:				
Within 1 year	93	219	-	66
Between 2 and 5 years	764	570	284	115
After more than 5 years	1,336	1,473	-	-
Total	2,193	2,262	284	181

27. FINANCE LEASE COMMITMENTS

At 2 May future minimum payments under finance leases and similar hire purchase arrangements are as follows:

	2013 £000	2012 £000
Amounts payable within one year	3	156
Amounts payable between two and five years	-	7
Total gross payments	3	163
Less: finance charges included in above	-	(2)
Present value of finance lease obligations	3	161

28. CONTINGENT LIABILITIES

In accordance with provisions contained in the Value Added Tax Act 1983, the Company has entered into a joint and several guarantees for Group Registrations.

The Company has contingent liabilities arising in the ordinary course of business from which it is anticipated that the likelihood of any material liabilities arising is remote.

29. POST BALANCE SHEET EVENTS

Significant events affecting the Company have occurred since the balance sheet date.

On 28 November 2012 it was announced that subject to shareholder and regulatory approvals, Siemens AG had entered into an agreement to acquire the Rail Automation business of the Invensys Group. The sale was concluded on 2 May 2013.

29. POST BALANCE SHEET EVENTS (continued)

On 25 June 2013 Westinghouse Brake and Signal Holdings changed its name to Siemens Rail Automation Holdings Limited.

Since the end of the period the Company has made a cash payment of £400m to the Invensys Pension Scheme.

30. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking is Siemens AG, incorporated in Germany. Siemens AG is the only group undertaking of which the Company is a member for which group accounts are prepared. Copies of the group accounts are available on the internet at www.siemens.com/annualreport or obtained from:

Siemens AG
Wittelsbacherplatz 2
D-80333 Munich
Germany

The immediate parent undertaking is Siemens International Holding B.V., a company incorporated in the Netherlands.