COMPANY NUMBER: 00741360

Control Techniques Dynamics Limited

Annual reports and financial statements Registered number 00741360 30 September 2013

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STRATEGIC REPORT

Principal activities of the Company

The Company's principal activity during the year was the manufacture and sale of electromechanical and electronic devices.

Business review and Key performance indicators

Total turnover for the year ended 30 September 2013 showed an increase on the previous year of 21% (2012: 2% decrease).

The Unimotor FM product range introduced five years ago has continued to win customers and the number of motors sold of this type has increased by 13% in the year. The complementary HD range introduced two years ago has increased by 78% in terms of units during the year and is expected to increase further in the new year. FM motors account for 61% (2012:70%) of total motors sold in the year and HD account for 28% (2012:15%).

Total sales are planned to increase in the forthcoming year and the directors constantly seek new opportunities. Europe represents 63% (2012: 62%) of the Company's turnover and it is anticipated that these sales will develop further. The Company also plans to extend its global presence in coming years by expanding sales both in North America and the Middle East. These sales are principally channelled through the Emerson Group, Global Sales and Solutions organisation.

A number of other performance factors are recorded, most of which are financially based such as stock turns, debtor days and cash balances, this data is reviewed and minuted at the Company's monthly management meetings. The Company operates a Quality Management System in accordance with ISO 9001:2000 and holds regular meetings to discuss and address items highlighted by various performance indicators.

The Company has approved repair centres located strategically around the world. These repair centres provide the support which our international customers require and also give valuable information about the types of failure encountered. This data enables us to continually improve upon the high level of quality demanded in our market.

The profit before tax for the year ended on 30 September 2013 is £2,779,000 (2012:£1,860,000). The balance sheet on page 9 shows the company's financial position at 30 September 2013.

Principle risks and uncertainties

Market risk

The Company trades with customers in Europe and North America in the currency of their location, and accordingly the movement of both the Euro and US Dollar against the Pound Sterling can have a trading impact on the results of the Company. The Company also sources its components from worldwide locations, and in order to partly alleviate these foreign currency risks buys the majority of its non UK purchases in these two currencies. There have been some significant movements of exchange rates during the year and this has enhanced the trading revenue and consequent operating profit.

The company's management continually assesses competitor risk and uses this information as part of its product development plans. These plans are coordinated with other group companies who provide complimentary products and ensures that the complete package provided offers market leading performance and capabilities.

Supplier risk

The company monitors suppliers and mitigates the risk by a combination of group supply where appropriate, and second source supply for other key components. Our engineering and purchasing teams also work together to standardise the components and in so doing widen the number of suppliers able to fulfil our growing needs.

STRATEGIC REPORT (continued)

Future developments

The directors expect the Company to continue trading in its present form

BY ORDER OF THE BOARD

K Hedges

Managing Director

13/6/14

Registered Office:

South Way,

Andover,

Hampshire

SP10 5AB

DIRECTORS REPORT

The directors present their annual report and the audited financial statements of Control Techniques Dynamics Limited ("the Company") for the year ended 30 September 2013.

Dividends

The directors do not recommend the payment of a dividend (2012: £Nil).

Directors

The directors who held office during the year were as follows:

K Hedges G de la Codre E Coupart

Employees

The Company seeks to ensure that full and fair consideration is given to applications from disabled persons, and also makes every effort to find alternative work (including retraining if necessary) for existing employees who become unable to carry out the job for which they are employed.

Regular informal meetings are held with employees to discuss the progress of the Company with them and to invite their views and comments.

Political donations

The Company made no political donations in the year (2012: £Nil).

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

BY ORDER OF THE BOARD

P L TURTLE SECRETARY

Registered Office: South Way, Andover, Hampshire SP10 5AB

Statement of directors' responsibilities in respect of the Strategic Report and the Directors' Report and the financial statements

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

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

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; 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 proper 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 its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Arlington Business Park Theale Reading RG7 4SD United Kingdom

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONTROL TECHNIQUES DYNAMICS LIMITED

We have audited the financial statements of Control Techniques Dynamics Limited for the year ended 30 September 2013 set out on pages 8 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement 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 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

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 30 September 2013 and of its profit for the year then ended
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONTROL TECHNIQUES DYNAMICS LIMITED (continued)

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.

Sun Kn

16 June 2014

Simon Baxter (Senior Statutory Auditor) for and on behalf of KPMG LLP, Statutory Auditor Chartered Accountants

PROFIT AND LOSS ACCOUNT

	Note	2013 £'000	£'000
Turnover Cost of sales	2	15,341 (9,353)	12,665 (7,761)
Gross profit Distribution costs Administrative expenses	•	5,988 (83) (3,156)_	4,904 (49) (3,020)
Operating profit		2,749	1,835
Other interest receivable and similar income	3	30	25
Profit on ordinary activities before taxation	4	2,779	1,860
Tax credit (charge) on profit on ordinary activities	6	159	(475)
Profit for the financial year		2,938	1,385

All of the Company's results relate to continuing activities.

The Company has no recognised gains and losses other than as stated above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year as stated above, and their historical cost equivalents.

BALANCE SHEET

	Note	2013 £'000	£'000	2012 £'000	£'000
FIXED ASSETS	_				
Tangible assets	7		2,757		2,881
CURRENT ASSETS					
Stocks	9	1,700		1,678	
Debtors	10	18,801		15,994	
Cash at bank and in hand		29		13	
CREDITORS: Amounts falling due within one year	11	20,530	_	(2,255)	_
NET CURRENT ASSETS			18,456		15,430
TOTAL ASSETS LESS CURRENT LIABILITIES			21,213		18,311
Provisions for liabilities and charges	12		(21)		(57)
NET ASSETS		:	21,192		18,254
CAPITAL AND RESERVES					
Called-up share capital	13		15		15
Share premium account	14		1		1
Profit and loss account	14		21,176		18,238
SHAREHOLDERS' FUNDS		•			
	15		21,192		18,254
The financial statements were approx	ved by the board	of directors or	13 6	2	014
and signed on its behalf by:			•	•	

K HEDGES DIRECTOR

Company Number: 00741360

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

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

As the company is a wholly owned subsidiary of Emerson Electric Co., the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

Going concern

The Company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The Company participates in a centralised treasury arrangement and shares banking arrangements with other UK based fellow subsidiaries.

The directors, having assessed the responses of the directors of the Company's parent Emerson Electric Co, or that of Emerson Electric (UK) Limited, (who administer the UK group treasury arrangements) to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Emerson Electric group to continue as a going concern or its ability to continue with its current banking arrangements.

On the basis of their assessment of the Company's financial position and of the enquiries made of Emerson Electric Co, the Company's directors have a reasonable expectation that the Company will be able 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.

Basis of preparation

The accounts have been prepared in accordance with applicable Accounting Standards and under the historical cost accounting rules.

As the Company is a wholly owned subsidiary of Emerson Electric Co, and its results are included in consolidated accounts which are publicly available, the Company has taken advantage of the exemption, available under Financial Reporting Standard 1 (revised 1996) to subsidiaries which are more than 90% owned, not to publish a cashflow statement. The Company has also taken advantage of the exemption which is available under Financial Reporting Standard 8 not to disclose transactions with other wholly owned subsidiaries which form part of the group. The consolidated financial statements, within which the Company is included, can be obtained from the address given in note 18.

Turnover

Turnover represents the invoiced value of goods sold and services provided during the year, exclusive of value added tax and trade discounts.

Stocks and work-in-progress

Stocks are stated at the lower of cost and net realisable value on a weighted average cost basis. Cost comprises the invoice value from suppliers, whilst due allowance is made for any slow moving or obsolete stock. Work in progress is valued on the basis of cost of materials together with attributable labour and overheads. Net realisable value is the anticipated sales proceeds less any further costs of selling and distribution.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Depreciation

The charge for depreciation is calculated so as to write off the cost less the estimated residual value of tangible fixed assets over their expected useful lives. The depreciation charge is calculated at monthly intervals, the first of which on any new asset being applied when the item is commissioned or the commencement of the following financial year whichever occurs earliest. The annualised rates of depreciation used are as follows:

Freehold buildings Plant and vehicles Fixtures and fittings 2% 15 to 33 1/3% 10 to 20%

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the date of the balance sheet. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Exchange differences thus arising are included in the profit and loss account.

Leases

Where the Company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

Other leases are accounted for as operating leases. Rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Post-retirement benefits

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in independently administered funds. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Taxation

The charge for taxation is based on the result for the year. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19.

The analysis of turnover by geographical market is as follows:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 Turnover

	2013	2012
	£'000	£,000
Geographic area:		
United Kingdom	1.563	1.370

 Geographic area:
 1,563
 1,370

 United Kingdom
 1,563
 1,370

 Rest of Europe
 9,623
 7,798

 North America
 1,518
 1,472

 Rest of the World
 2,637
 2,025

 Total turnover
 15,341
 12,665

All turnover and profit on ordinary activities before taxation are attributable to the Company's principal activity.

3	Other interest receivable and similar income	
		2013
		61000

	£'000	£,000
On loans to group undertakings	30	25_

2012

4 Profit on ordinary activities before taxation 2013 2012 £'000 £'000

The profit on ordinary activities before taxation is stated after		
charging:		
Depreciation of tangible fixed assets – owned	522	353
Operating lease charges	33	33
Foreign exchange (gains) / losses	(41)	208
Auditor's Remuneration	22	20

No amounts were receivable by the auditor and their associates in respect of other services.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Directors and employees

The average number of persons employed by the Company (including directors) during the year was as follows:

	2013	2012
	Number	Number
Management and administration	17	17
Production	91_	84
	108	101
Their aggregate payroll costs were:	£'000	£'000
Wages and salaries	2,823	2,595
Social security costs	272	251
Other pension costs	112	85
	3,207	2,931
Directors' emoluments are analysed as follows:		
	2013	2012
	£'000	£,000
Directors' emoluments	132	120
Company contributions to Money Purchase		
Pension Schemes	39	41
	171	161

The aggregate emoluments and amounts receivable under long term incentive schemes of the highest paid director was £132,000 (2012: £120,000) and Company pension contributions of £39,000 (2012: £41,000) were made to a money purchase scheme on his behalf.

	Number of Directors	
	2013	2012
Number of directors who exercised share		
options:	1_	1
Retirement benefits are accruing to the following number of directors under:		
Money Purchase Pension Schemes	1	1

6

Taxation

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2013	2012
	£'000	£,000
UK Corporation tax		
Current tax on profit for the year	670	453
Group relief adjustment	(793)	-
Total current tax (credit)/ charge	(123)	453

Deferred tax (see note 12)		
Origination and reversal of timing differences	(30)	17
Effect of increase tax rate	(1)	(2)
Adjustment in respect of prior years	(5)	7
	(36)	22
Current year tax charge / (credit)	(159)	475

The current tax charge for the period is lower (20 12: lower) than the effective standard rate of corporation tax in the UK of 23.5% (2012: 25%). The differences are explained below:

	2013 £'000	2012 £'000
Profit on ordinary activities before tax	2,779	1,860
Profit on ordinary activities at the UK effective rate		
of 23.5% (2012: 25%)	653	465
Effects of:		
Expenses not deductible for tax purposes	6	6
Patent box deduction	(19)	-
Accelerated capital allowances and other timing	` ,	
differences	30	(18)
Group relief adjustment	(793)	-
Total current tax (credit)/ charge	(123)	453

Factors that may affect future current and total tax charges

A reduction in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective from 1 April 2013 was substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 30 September 2013 has been calculated based on the rate of 22% substantively enacted at the balance sheet date.

The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax liability accordingly.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 Tangible fixed assets

	Freehold buildings	Fixtures and fittings	Plant and vehicles	Software	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 October 2012	1,469	175	1,632	828	4,104
Additions	-	-	398	-	398
Written off during the year	-	-	(29)	-	(29)
At 30 September 2013	1,469	175	2,001	828	4,473
Depreciation					
At 1 October 2012	492	55	572	104	1,223
Charge for the year	24	17	274	207	522
Written off during the year	-	-	(29)	_	(29)
At 30 September 2013	516	72	817	311	1,716
Net book value					
At 30 September 2013	953	103	1,184	517	2,757
At 30 September 2012	977	120	1,060	724	2,881

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 Future capital expenditure

Capital commitments at the end of the financial year for which no provision has been made in the accounts are as follows:

	2013 £'000	£,000 £,000
Contracted for Authorised, but not contracted	40	30
·	=======================================	
9 Stocks	2013	2012
	£'000	£'000
Raw materials and consumables	1,098	1,049
Work in progress	342	429
Finished goods and goods for resale	260	200
-	1,700	1,678
10 Debtors		
	2013	2012
	£'000	£'000
Trade debtors	982	655
Trading balances with group undertakings	1,210	1,099
Other amounts owed by group undertakings	16,214	13,371
Other debtors	303	751
Prepayments and accrued income	92	118
•	18,801	15,994
All debtors are due within one year.		

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Creditors: amounts falling due within	n one year		
-	•	2013	2012
		£'000	£,000
Trade creditors		1,080	787
Amounts owed to group undertakings		161	155
Other creditors including payroll taxes ar	nd		
social security		69	60
Corporation tax		510	1,065
Accruals and deferred income		254	188
	=	2,074	2,255
12 Deferred tax liability/ (asset)			
		2013	2012
		£'000	£'000
At 1 October 2012		57	35
Profit and loss charge		36	22
At 30 September 2013	=	93	57
The amounts recognised for deferred taxation	are set out below:		
		2013	2012
		£,000	£,000
Differences between accumulate depreciation and amortisation and capit			
allowances		31	67
Other timing differences	-	(10)	(10)
Deferred tax liability/ (asset)	=	21	57
13 Called-up share capital			
		2012	2011
Allotted, issued and fully paid			
Ordinary shares of £1 each	Number	14,875	14,875
	Value	£14,875	£14,875

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 Share premium and reserves

	Share Premium account £'000	Profit and loss account
At 1 October 2012	1	18,238
Profit on ordinary activities after taxation	-	2,938
At 30 September 2013	1	21,176
Reconciliation of movements in shareholders' funds	2013 £'000	2012 £'000
Profit for the year	2,938	1,385
Net addition to shareholders' funds	2,938	1,385
Opening shareholders' funds	18,254	16,869
Closing shareholders' funds	21,192	18,254

16 Pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £102,000 (2012: £85,000). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

17 Commitments

	2013 Land and buildings £000	Other £000	2012 Land and Buildings £000	Other
Operating leases which expire:				
Within one year	-	-	-	-
In the second to fifth years inclusive	-	-	-	-
Over five years	32	-	32	-
	32	-	32	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 Ultimate parent Company and parent undertaking of larger group of which the Company is a member

At 30 September 2013 the Company's ultimate parent Company and ultimate controlling party was Emerson Electric Co, a Company incorporated in the United States of America. The largest group in which the results of the Company are consolidated is that headed by Emerson Electric Co. Copies of these accounts can be obtained from:

Investor Relations Department Emerson Electric Co. 8000 W. Florissant Ave PO Box 4100 St Louis Missouri 63136 USA