



# Lucy Electric UK Limited

**Directors' Report and Financial Statements**

**for the year ended**

**31st December 2017**



**Registration Number : 01179461**

**Lucy Electric UK Limited**  
**Company Information**

<b>Directors</b>	C. R. Dick G. D. Ashton J. C. Finch-Dick J. A. Griffiths
<b>Secretary</b>	M. Laxton
<b>Company Number</b>	01179461
<b>Registered office</b>	Eagle Works Walton Well Road Oxford OX2 6EE
<b>Auditors</b>	Wenn Townsend Chartered Accountants and Statutory Auditors 30 St Giles Oxford OX1 3LE
<b>Bankers</b>	HSBC Plc 65 Cornmarket Street Oxford OX1 3HY

## **Lucy Electric UK Limited**

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## **Lucy Electric UK Limited**

### **Strategic Report**

#### **Strategy**

The vision of the company is to be a leader in medium voltage switchgear and low voltage fused protection products in its addressed markets.

#### **Business development and performance for the year**

Market conditions in the UK and abroad remained challenging during the year, however the Company produced a profit before tax of £3.6 million (2016: £2.4 million). This resulted in a retained profit for the year of £0.5 million. The shareholders' funds increased to £12.3 million.

#### **Plans for future periods**

The Company intends to further develop and market its medium voltage switchgear and low voltage fused protection products and services for its customers as they look to improve their energy and operating efficiency.

#### **Principal risks and uncertainties**

Key business risks are identified as follows:

##### **Macro economic environment**

Slowdown in economic growth in key markets presents uncertainties for the business. However, underlying long term growth potential in international markets continues to be positive.

##### **Strategy implementation**

There is a risk that the strategy does not deliver sustainable business growth and profits. Factors that could influence the successful delivery of strategic objectives and timelines include macro economic uncertainties in key markets. There are always inherent risks in the introduction of new products and the entry into new markets.

##### **People**

The expertise, commitment and support of the Company employees is central to continued business success. Ensuring the Company maintains the right mix of skills, knowledge and experience to support a high performing organisational culture are key on-going challenges for the business. The Company continually seeks to supplement existing capabilities by both attracting new talent and by developing employee skills.

##### **IT and communication**

The Company is dependent upon its integrated IT network and communication infrastructure and has concentrated on developing its systems knowledge and experience.

##### **Foreign exchange rates**

The geographic spread of the Company's customers means that its financial results can be affected by movements in foreign exchange rates.

This report was approved by the Board on 5 February 2018 and signed on its behalf by



**M. Laxton**  
Company Secretary  
5 February 2018

**Lucy Electric UK Limited**  
**Report of the Directors**

The directors present their report and the financial statements for the year ended 31st December 2017.

**Principal activities**

The principal activity of the company is the sale of medium voltage switchgear and low voltage fused protection products.

**Directors**

The directors who served during the year are as stated below:

C R Dick  
J C Finch-Dick  
J A Griffiths  
G D Ashton

Mr. J. C. Finch-Dick was appointed as an Executive Director on 8<sup>th</sup> December 2017.

**Results and dividends**

The results for the year are set out on page 7 and the Company's balance sheet is detailed on page 8, with shareholders funds amounting to £12.3 Million.

A dividend of £3m was paid during the year.

**Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and 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.

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

In so far as the directors are aware:

- There is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and

**Lucy Electric UK Limited**  
**Report of the Directors**

The directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Auditors**

Wenn Townsend are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

This report was approved by the Board on 5 February 2018 and signed on its behalf by



**M. Laxton**  
Company Secretary  
5 February 2018

**Lucy Electric UK Limited**  
**Independent Auditors' Report**  
**To the shareholders of Lucy Electric UK Limited**

**Opinion**

We have audited the financial statements of Lucy Electric UK Limited (the 'company') for the year ended 31st December 2017 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2017, and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Lucy Electric UK Limited**  
**Independent Auditors' Report**  
**To the shareholders of Lucy Electric UK Limited**

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going



**Lucy Electric UK Limited**  
**Independent Auditors' Report**  
**To the shareholders of Lucy Electric UK Limited**

concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.



**Ajay Bahl BA FCA (Senior Statutory Auditor)**  
**For and on behalf of Wenn Townsend**  
**Statutory Auditor**  
**30 St Giles**  
**Oxford**  
**OX1 3LE**

**5 February 2018**

**Lucy Electric UK Limited**  
**Profit & Loss Account**  
**for the year ended 31<sup>st</sup> December 2017**

	<b>Note</b>	<b>2017</b> £	<b>2016</b> £
<b>Turnover</b>	<b>2</b>	42,107,508	37,790,188
Cost of sales		(29,791,642)	(26,968,192)
<b>Gross profit</b>		12,315,866	10,821,996
Distribution costs		(5,140,367)	(4,903,949)
Administrative expenses		(2,033,501)	(1,942,335)
Other expenses		(1,544,814)	(1,552,012)
<b>Operating profit</b>	<b>3</b>	3,597,184	2,423,700
Other interest receivable and similar income	<b>6</b>	4,291	6,764
Interest payable and similar charges	<b>7</b>	-	(12)
<b>Profit on ordinary activities before taxation</b>		3,601,475	2,430,452
Tax on profit on ordinary activities	<b>8</b>	(57,765)	(69,634)
<b>Profit and total comprehensive income for the financial year</b>	<b>20</b>	3,543,710	2,360,818

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

The notes on pages 10 to 21 form an integral part of these financial statements.

**Lucy Electric UK Limited**  
**Balance Sheet**  
**as at 31<sup>st</sup> December 2017**

	Note	2017	2016
		£	£
<b>Fixed Assets</b>			
Intangible assets	10	10,270	8,426
Tangible assets	11	1,898,274	2,082,396
		<u>1,908,544</u>	<u>2,090,822</u>
<b>Current Assets</b>			
Stocks	12	7,025,379	5,973,466
Debtors due within one year	13	7,909,722	9,041,673
Cash at bank and in hand		6,797,603	3,852,654
		<u>21,732,704</u>	<u>18,867,793</u>
<b>Creditors</b>			
Amounts falling due within one	15	(11,127,922)	(9,188,490)
<b>Net current assets</b>		<u>10,604,782</u>	<u>9,679,303</u>
<b>Total assets less current liabilities</b>		<u>12,513,326</u>	<u>11,770,125</u>
<b>Provisions for liabilities</b>	16	(238,457)	(38,966)
<b>Net assets</b>		<u>12,274,869</u>	<u>11,731,159</u>
<b>Capital and reserves</b>			
Called-up equity share capital	18	600,000	600,000
Share premium account	19	9,361,007	9,361,007
Profit and loss account	20	2,313,862	1,770,152
<b>Shareholders' funds</b>	21	<u>12,274,869</u>	<u>11,731,159</u>

The financial statements were approved by the Board on the 5 February 2018 and signed on its behalf by

C R Dick  
Director



G D Ashton  
Director



Registration number 01179461

The notes on pages 10 to 21 form an integral part of these financial statements.

**Lucy Electric UK Limited**  
**Statement of Changes in Equity**  
**for the year ended 31<sup>st</sup> December 2017**

	Note	Share capital	Share premium	Profit and loss account	Total
		£	£	£	£
<b>At 1st January, 2016</b>		600,000	9,361,007	(590,666)	9,370,341
Profit for the financial year		-	-	2,360,818	2,360,818
<b>At 31st December, 2016</b>		<b>600,000</b>	<b>9,361,007</b>	<b>1,770,152</b>	<b>11,731,159</b>
Profit for the financial year		-	-	3,543,710	3,543,710
Dividends and other appropriations paid in the year	9	-	-	(3,000,000)	(3,000,000)
<b>At 31st December, 2017</b>		<b>600,000</b>	<b>9,361,007</b>	<b>2,313,862</b>	<b>12,274,869</b>

**Lucy Electric UK Limited**  
**Notes to the Financial Statements for the Year Ended**  
**31<sup>st</sup> December 2017**

**1. Accounting policies**

**Statement of Compliance**

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 101 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 101) and the Companies Act 2006.

**Basis of preparation**

The financial statements have been prepared and in accordance with the Companies Act 2006 and the principal accounting policies as summarised below. They have all been applied consistently throughout the year.

Lucy Electric UK Limited is a private company limited by shares incorporated in England, United Kingdom. The address of the registered office is given in the company information in these financial statements. The nature of the company's operations and principal activities are noted in the directors' report.

**Disclosure exemptions adopted**

The company has taken advantage of the following disclosure exemptions under FRS 101:

IAS 24:	Related Party Disclosures to disclose related party transactions entered into
IAS 1:	Presentation of comparative reconciliations for property, plant and equipment and intangible assets
IAS 24:	Disclosure of key management personnel compensation
IAS 1:	Capital management disclosures
IAS 8:	Disclosures in respect of standards in issue not yet effective
IAS 7:	Exemption from preparing a cash flow statement

**Functional and presentation currency**

The financial statements are presented in Sterling which is also the functional currency of the company.

**Foreign currency transactions and balances**

Foreign exchange gains and losses resulting from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss. Non-monetary items are translated at the date of the transaction.

**Revenue**

Revenue from ordinary activities is recognised where it is likely that future economic benefits will accrue to the company and this income can be assessed reliably. Such income is assessed at the fair value of the consideration to be received, excluding trade discounts and value added tax.

Profit is recognised on long term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss, turnover and related costs as contract activity advances.

**Operating expenses**

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

**Fixed assets**

Freehold buildings, fixtures and machinery are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the company's management. Buildings, fixtures and other equipment are subsequently measured using the cost model, cost less accumulated depreciation and impairment losses.

**Lucy Electric UK Limited**  
**Notes to the Financial Statements for the Year Ended**  
**31<sup>st</sup> December 2017**

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method, on the following bases:

- Freehold buildings - 2% - 2.5%
- Fixtures and fittings - 10% - 33%
- Plant and machinery - 5% - 33%
- Motor vehicles - 25% - 33%
- Leasehold improvements – not exceeding the term of the lease

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

**Leased assets**

Operating leases are recorded as expenditure on a straight line basis until expiry of the contract.

**Stock**

Stock and work in progress are stated at the lower of cost and net realisable value; in respect of work in progress and finished goods, costs include a relevant proportion of overheads according to the stage of completion. Net realisable value is the estimated selling price reduced by all costs of completion, marketing and distribution.

**Taxation**

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided those rates are enacted or substantively enacted by the end of the reporting period.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

**Equity, reserves and dividend payments**

Share capital represents the nominal value of shares that have been issued.

Share premium includes any premiums received on issue of share capital. Incremental transaction costs directly attributable with the issuing of shares are deducted from share premium, net of any related income tax benefits.

**Post-employment benefits plans**

The company contributes to a pension scheme operated by the group providing benefits based on final pensionable pay for eligible employees who joined on or before 10th April 2002. The scheme is administered by trustees and the funds are independent of the company's finances.

The pension cost of the defined benefit scheme is charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. For employees not in this scheme the group provides the Lucy Group Personal Pension Plan. This was established with Sterling ISA Managers Limited, trading as Zurich Money4LifeTM, as the provider. Eligible employees were enrolled into a scheme established under Part 1 of the Pensions Act 2008. The pension costs of these schemes are charged as incurred.

**Lucy Electric UK Limited**  
**Notes to the Financial Statements for the Year Ended**  
**31<sup>st</sup> December 2017**

**Significant management judgement in applying accounting policies and estimation uncertainty**

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements:

**Recognition of deferred tax assets**

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the company's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

**Provisions, contingent assets and contingent liabilities**

A provision is recognised when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the company and amounts can be estimated reliably.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

**2. Turnover**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK. In the opinion of the directors 20% of the turnover is attributable to geographical markets outside the UK (2016: 26%).

**Lucy Electric UK Limited**  
**Notes to the Financial Statements for the Year Ended**  
**31<sup>st</sup> December 2017**

**3. Operating profit**

	<b>2017</b>	<b>2016</b>
	£	£
Operating profit is stated after charging/(crediting):		
Depreciation of owned fixed assets	574,524	578,969
(Profit) / loss on disposal of tangible fixed assets	(38,336)	3,617
Auditors' remuneration		
-as auditor	14,950	15,000
-non audit fees	-	-
Operating lease costs:		
- Plant and equipment	55,996	58,203
- Land and buildings	258,075	240,000
Net (gain)/loss on foreign currency transactions	<u>(248,649)</u>	<u>136,046</u>

**4. Auditors' remuneration**

	<b>2017</b>	<b>2016</b>
	£	£
Auditors' remuneration - audit of the financial statements	<u>14,950</u>	<u>15,000</u>



**Lucy Electric UK Limited**  
**Notes to the Financial Statements for the Year Ended**  
**31<sup>st</sup> December 2017**

**5. Employees**

The average number of staff employed by the company during the financial year amounted to:

	<b>2017</b>	<b>2016</b>
Production and distribution	129	136
Administration	4	6
	<u>133</u>	<u>142</u>

**Employment costs**

	<b>2017</b>	<b>2016</b>
	£	£
Wages and salaries	4,974,563	4,912,171
Social security costs	515,027	528,082
Pension costs	283,015	292,601
	<u>5,772,605</u>	<u>5,732,854</u>

No remuneration was paid to the directors in respect of services carried out on behalf of the company in either of the above two financial years.

The defined benefit scheme provides benefits based on final pensionable pay for eligible employees who joined on or before 10th April 2002. Barnett Waddingham Ltd are the actuaries of the scheme and they calculate the level of contributions. The latest actuarial report on the scheme, which was issued in April 2014, shows there is a deficit of assets compared with actuarially determined liabilities. The pension costs of these members are charged as incurred, all deficits are provided for in the books of Lucy Group Ltd. and disclosed in the group accounts.

As a multi-employer scheme, contributions are set at a general level without reference to the characteristics of individual employees. The company is unable to identify its share of underlying assets and liabilities in the scheme on a consistent and reasonable basis. Therefore the scheme is accounted for as though it is a defined contribution scheme.

For employees not in this scheme there is a Stakeholder Scheme called the Lucy Group Personal Pension Plan. This plan is established with Sterling ISA Managers, trading as Zurich Money4LifeTM as the provider. The company has complied with the automatic enrollment laws in Part 1 of the Pensions Act 2008.

**Analysis of the amount charged to operating profit**

	<b>2017</b>	<b>2016</b>
	£	£
Defined benefit scheme	144,867	142,031
Defined contribution scheme	138,148	150,798

**6. Interest receivable and similar income**

	<b>2017</b>	<b>2016</b>
	£	£
Bank interest	4,291	6,764
	<u>4,291</u>	<u>6,764</u>

**Lucy Electric UK Limited**  
**Notes to the Financial Statements for the Year Ended**  
**31<sup>st</sup> December 2017**

**7. Interest payable and similar charges**

	<b>2017</b>	<b>2016</b>
	£	£
Other interest	-	12
	<u>-</u>	<u>12</u>

**8. Tax on profit/(loss) on ordinary activities**

**Analysis of charge in period:**

	<b>2017</b>	<b>2016</b>
	£	£
<b>Current Tax</b>		
UK Corporation tax	96,961	6,139
Group tax relief	-	-
Adjustment in respect of previous years	329	5,567
	<u>97,290</u>	<u>11,706</u>
<b>UK Deferred tax</b>		
Timing differences	1,302	(1,692)
Capital allowances	(40,827)	59,620
Reduction in tax rate	-	-
Total UK deferred taxation	<u>(39,525)</u>	<u>57,928</u>
<b>Total tax charge / (credit) on profit on ordinary activities</b>	<u><b>57,765</b></u>	<u><b>69,634</b></u>

**b Factors affecting tax charge for period**

Profit on ordinary activities before taxation	3,601,475	2,430,452
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016: 20%)	693,284	486,090
Adjustment in respect of previous years	329	5,600
Effect of change in non-allowable general provisions	4,027	-
Expenses not deductible for tax purposes	3,821	12,600
Capital allowances for period in excess of depreciation	24,586	29,700
Group tax relief	(630,240)	(522,284)
Effect of differing UK tax rates	1,483	-
<b>Total tax (note 8(a))</b>	<u><b>97,290</b></u>	<u><b>11,706</b></u>

**Lucy Electric UK Limited**  
**Notes to the Financial Statements for the Year Ended**  
**31<sup>st</sup> December 2017**

**9. Dividends**

	<b>2017</b>	<b>2016</b>
	£	£
Equity dividends		
Final dividend paid - 500p (2016: 0p) per share	3,000,000	-
	<u>3,000,000</u>	<u>-</u>

**10. Intangible fixed assets**

	<b>Software</b>	<b>Total</b>
	£	£
<b>Cost or valuation</b>		
At 1st January, 2017	184,870	184,870
Additions	2,750	2,750
Disposals	-	-
At 31st December, 2017	<u>187,620</u>	<u>187,620</u>
<b>Amortisation</b>		
At 1st January, 2017	175,687	175,687
Charge for period	1,663	1,663
Disposals	-	-
At 31st December, 2017	<u>177,350</u>	<u>177,350</u>
<b>Net book value</b>		
At 31st December, 2017	<u>10,270</u>	<u>10,270</u>
At 1st January, 2017	<u>8,426</u>	<u>8,426</u>

**Lucy Electric UK Limited**  
**Notes to the Financial Statements for the Year Ended**  
**31<sup>st</sup> December 2017**

**11. Tangible fixed assets**

	Land and buildings	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
Cost or valuation	£	£	£	£	£
At 1st January, 2017	1,222,117	3,730,642	1,373,314	633,728	6,959,801
Additions	11,590	137,741	16,728	232,263	398,322
Disposals	-	-	-	(205,707)	(205,707)
At 31st December, 2017	<u>1,233,707</u>	<u>3,868,383</u>	<u>1,390,042</u>	<u>660,284</u>	<u>7,152,416</u>
<b>Depreciation</b>					
At 1st January, 2017	535,735	2,920,927	994,170	427,330	4,878,162
Charge for year	85,464	231,122	124,979	132,959	574,524
Disposals	-	-	-	(198,544)	(198,544)
At 31st December, 2017	<u>621,199</u>	<u>3,152,049</u>	<u>1,119,149</u>	<u>361,745</u>	<u>5,254,142</u>
<b>Net book value</b>					
At 31st December, 2017	<u>612,508</u>	<u>716,334</u>	<u>270,893</u>	<u>298,539</u>	<u>1,898,274</u>
At 31st December, 2016	<u>470,563</u>	<u>884,846</u>	<u>510,879</u>	<u>216,108</u>	<u>2,082,396</u>

**Net book value**

Included in the net book value of land and buildings of £612,509 is an amount of £nil (2016: £nil) that relates to freehold land.

Net book value of land and buildings is split £366,347 relating to leasehold improvements and £317,671 for freehold buildings.

**12. Stocks**

	2017	2016
	£	£
Raw materials and consumables	3,434,139	1,852,002
Work in progress	158,676	599,400
Finished goods and goods for resale	3,432,564	3,522,064
	<u>7,025,379</u>	<u>5,973,466</u>

In the opinion of the directors, the replacement cost of stocks is not materially different from that shown above.

**Lucy Electric UK Limited**  
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**13. Debtors**

	<b>2017</b>	<b>2016</b>
	£	£
Trade debtors	5,760,329	3,966,748
Amounts owed by group undertakings	1,928,473	4,967,611
Corporation tax	574	574
Deferred tax	70,474	30,949
Prepayments and accrued income	149,872	75,791
	<u>7,909,722</u>	<u>9,041,673</u>

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

All of the company's trade and other receivables have been reviewed for indicators of impairment. No indicators of impairment were identified.

The debtors above include the following amounts falling due after more than one year:

	<b>2017</b>	<b>2016</b>
	£	£
Deferred tax recoverable	<u>70,474</u>	<u>30,949</u>

**14. Deferred Tax**

The deferred tax included in the Balance Sheet is as follows:

	<b>2017</b>	<b>2016</b>
	£	£
Included in debtors (note 13)	70,474	30,949

The movement in the deferred taxation account during the year was:

	Deferred taxation	Total
	£	£
Balance at 1 January 2017	30,949	30,949
Charge for the year	39,525	39,525
Balance at 31 December 2017	<u>70,474</u>	<u>70,474</u>
Analysed as:	<b>2017</b>	<b>2016</b>
	£	£
Depreciation in excess of capital allowances	(81,366)	(40,539)
Other timing differences	10,892	9,590
	<u>(70,474)</u>	<u>(30,949)</u>

**Lucy Electric UK Limited**  
**Notes to the Financial Statements for the Year Ended**  
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**15. Creditors - amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	£	£
Trade creditors	3,506,096	2,083,041
Amounts owed to group undertakings	5,162,929	3,648,318
Corporation tax	-	6,139
Social security and other taxes	201,706	174,481
Accruals and deferred income	2,257,191	3,276,511
	<u>11,127,922</u>	<u>9,188,490</u>

**16. Provisions for liabilities**

	<b>Warranty Provision</b>	<b>Total</b>
At 1st January, 2017	38,966	38,966
Provided in the year	199,491	199,491
	<u>238,457</u>	<u>238,457</u>

The warranty provision is based on historical warranty data and is assessed based on a weighting of all possible outcomes against their associated probabilities

The warranty provision in the year is for long term contracts with a one year warranty period

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**17. Commitments and contingencies**

Future minimum lease payments under non-cancelable operating leases are as follows:

	<b>Land and buildings</b>		<b>Other</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	£	£	£	£
Amounts payable within 1 year	240,000	240,000	55,996	36,833
Amounts payable between 2 to 5	700,000	940,000	99,650	85,853
Amounts payable after more than 5	-	-	-	-
	<u>940,000</u>	<u>1,180,000</u>	<u>155,646</u>	<u>122,686</u>

**Contingent liabilities**

The company has given guarantees amounting to the equivalent of £894,590 (2016: £1,034,046) to its bankers in respect of performance and tender bonds and counter indemnities issued by them on the company's behalf.

**18. Share capital**

	<b>2017</b>	<b>2016</b>
	£	£
<b>Authorised</b>		
600,000 Ordinary shares of £1 each	<u>600,000</u>	<u>600,000</u>
<b>Allotted, called up and fully paid :</b>		
600,000 Ordinary shares of £1 each	<u>600,000</u>	<u>600,000</u>
<b>Equity Shares</b>		
600,000 Ordinary shares of £1 each	<u>600,000</u>	<u>600,000</u>

**19. Share premium**

	<b>Share premium</b>
	£
At 1st January, 2017	9,361,007
At 31st December, 2017	<u>9,361,007</u>

**20. Profit and loss account**

	<b>2017</b>
	£
At 1st January, 2017	1,770,152
Profit for the financial year	3,543,710
Dividends paid in the year	(3,000,000)
At 31st December, 2017	<u>2,313,862</u>

**Lucy Electric UK Limited**  
**Notes to the Financial Statements for the Year Ended**  
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**21. Reconciliation of movements in shareholders' funds**

	<b>2017</b>	<b>2016</b>
	£	£
Profit for the year	3,543,710	2,360,818
Dividend paid in the year	(3,000,000)	-
Opening shareholders' funds	11,731,159	9,370,341
At 31st December	<u>12,274,869</u>	<u>11,731,159</u>

**22. Related party transactions**

There are no related party transactions with entities that are not wholly owned subsidiaries of the parent company.

**23. Ultimate parent undertaking**

The company is a wholly owned subsidiary of Lucy Group Ltd, a company incorporated in England whose ultimate parent undertaking is W L Shareholding Company Limited, a company incorporated in England.

Group accounts are available from the parent undertaking's address at Eagle Works, Walton Well Road, Oxford OX2 6EE.