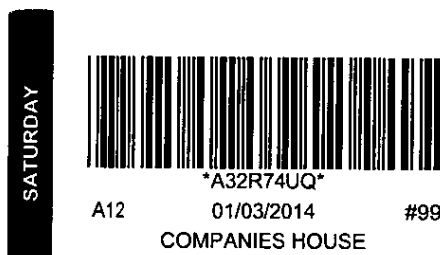

Lucy Switchgear (EMS) Limited

Abbreviated Accounts
for the year ended
31st December 2013



Registration number : 01601525

Lucy Switchgear (EMS) Limited
Company Information

Directors	C R Dick G D Ashton
Secretary	M Laxton
Company Number	01601525
Registered office	Eagle Works Walton Well Road Oxford OX2 6EE
Auditors	Wenn Townsend Chartered Accountants and Statutory Auditors 30 St Giles Oxford OX1 3LE
Bankers	HSBC Plc 65 Cornmarket Street Oxford OX1 3HY

Lucy Switchgear (EMS) Limited
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Lucy Switchgear (EMS) Limited Strategic Report

Strategy

The vision of the company is to be a leading developer of intellectual property for medium voltage switchgear, and to deliver sustainable business growth and profits by introducing new technologies and products into the marketplace

Business development and performance for the year

The company reported excellent results for the year with sales increasing by 28%. Profit before tax was £0.9 million (2012: £0.2 million) increasing shareholders' funds to £1.3 million at 31st December 2013.

The company is continuing to develop its range of medium voltage switchgear products and its range of 'Gemini' automated remote terminal units.

Plans for future periods

The company plans to invest in the development of its intellectual property in order to provide long term opportunities for growth.

Principal risks and uncertainties

The key business risks are currently identified as follows:

- **Macro economic environment**

Low 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 the macro economic and political uncertainties in key markets. There are always inherent risks in the introduction of new technologies and the entry into new markets.

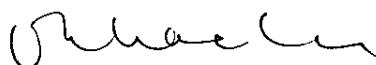
- **People**

The expertise, commitment and support of employees is central to continued business success. Ensuring the business maintains the right mix of skills, knowledge and experience to support a high performing company culture is a key on-going challenge 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 dependant upon its integrated IT network and communication infrastructure and has concentrated on developing its system knowledge and experience.

This report was approved by the Board on 4 February 2014 and signed on its behalf by



M. Laxton
Company Secretary
4 February 2014

Lucy Switchgear (EMS) Limited
Report of the Directors

The directors present their report and the financial statements for the year ended 31 December 2013

Principal activities

The principal activity of the company is the development of intellectual property for medium voltage switchgear and the provision of management services to Lucy Switchgear a group of businesses within W Lucy & Co Ltd

Directors

The directors who served during the year are as stated below

C R Dick
G D Ashton

Results and dividends

The results for the year are set out on page 6 and the company's balance sheet is detailed on page 7, with shareholder funds amounting to £1,277k

The Directors do not recommend payment of a dividend

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report, the Strategic 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 judgements and estimates that are reasonable and prudent,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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
- 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.

Lucy Switchgear (EMS) Limited
Report of the Directors

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 4 February 2014 and signed on its behalf by



M. Laxton
Company Secretary
4 February 2014

Lucy Switchgear (EMS) Limited
Independent Auditors' Report
To Lucy Switchgear (EMS) Limited under section 449 of the
Companies Act 2006

We have examined the abbreviated accounts set out on pages 1 to 14, together with the financial statements of Lucy Switchgear (EMS) Limited for the year ended 31st December 2013 prepared under section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



Anthony Haines BSc, FCA (Senior Statutory Auditor)
For and on behalf of Wenn Townsend
Statutory Auditor
30 St Giles
Oxford
OX1 3LE

4 February 2014

Lucy Switchgear (EMS) Limited
Profit and Loss Account
for the year ended 31 December 2013

	Notes	2013 £	2012 £
Turnover		10,516,942	8,243,809
Gross profit		1,062,935	356,711
Administrative expenses		(118,517)	(157,346)
Operating profit	2	944,418	199,365
Other interest receivable and similar income		1,491	876
Profit on ordinary activities before taxation		945,909	200,241
Tax (charge) / credit on profit on ordinary activities	7	(223,513)	(3,186)
Profit for the year	14	722,396	197,055

There are no recognised gains or losses other than the profit or loss for the above two financial years

None of the company's activities were acquired or discontinued in the above financial year

The notes on pages 7 to 14 form an integral part of these financial statements.

Lucy Switchgear (EMS) Limited
Abbreviated Balance Sheet
as at 31 December 2013

	Note	2013	2012
		£	£
Fixed Assets			
Tangible assets	8	551,298	431,599
Investments	9	189,277	189,277
		<u>740,575</u>	<u>620,876</u>
Current Assets			
Debtors	10	2,503,244	2,280,906
Cash at bank and in hand		1,332,370	516,789
		<u>3,835,614</u>	<u>2,797,695</u>
Creditors			
Amounts falling due within 1 year	11	(1,664,872)	(1,313,466)
Net current assets		<u>2,170,742</u>	<u>1,484,229</u>
Total assets less current liabilities		<u>2,911,317</u>	<u>2,105,105</u>
Provisions for liabilities and charges	12	(1,634,591)	(1,550,775)
Net assets		<u>1,276,726</u>	<u>554,330</u>
Capital and reserves			
Called up Share capital	13	50	50
Share Premium Account	14	387,540	387,540
Profit and loss account	14	889,136	166,740
Shareholders' funds		<u>1,276,726</u>	<u>554,330</u>

These accounts have been prepared in accordance with the provision of Section 445(3) of the Companies Act 2006 in regard to medium-sized companies

The financial statements were approved by the Board on the 4 February 2014 and signed on its behalf by

C R Dick
Director



G D Ashton
Director



Registration number 01601525

The notes on pages 7 to 14 form an integral part of these financial statements.

Lucy Switchgear (EMS) Limited
Notes to the Financial Statements for the Year Ended
31st December 2013

1. Accounting policies

1.1 Accounting convention

The Financial statements are prepared under the historical cost convention

The company is exempt from preparing a cash flow statement as 90% or more of the voting rights are held within the group

1.2 Turnover

Turnover represents the amount derived from the provision of services which fall within the company's ordinary activities stated net of trade discounts and value added tax

1.3 Tangible fixed assets and depreciation

Depreciation is provided at the rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

Leasehold properties	-	Straight line over the life of the lease
Equipment	-	12.5% - 33% straight line
Motor vehicles	-	25% straight line

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.5 Deferred tax

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes

1.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the profit and loss account.

1.7 Inter-company transactions

The company has taken advantage of the FRS 8 exemption not to disclose intra-group transactions because the parent company prepares consolidated accounts that are publicly available.

1.8 Research and development

Research and development expenditure is written off to the profit and loss account in the period in which it is incurred.

Lucy Switchgear (EMS) Limited
Notes to the Financial Statements for the Year Ended
31st December 2013

1.9 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006. It is a subsidiary undertaking of W. Lucy & Co. Ltd, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

1.10 Pension costs

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 a Stakeholder Scheme managed by AEGON Scottish Equitable. The pension cost of this scheme is charged as incurred.

2. Operating profit

	2013	2012
Operating profit is stated after charging	£	£
Depreciation and other amounts written off tangible assets	190,843	164,872
Loss/(profit) on disposal of tangible fixed assets	1,242	(3,825)
Research and development		
- expenditure in current Year	4,785,400	4,723,800
Operating lease rentals		
- Motor vehicles	12,948	9,954
Auditors' remuneration - (see note 4)	<u>5,500</u>	<u>5,200</u>

Lucy Switchgear (EMS) Limited
Notes to the Financial Statements for the Year Ended
31st December 2013

3 Auditors' remuneration

	2013	2012
	£	£
Auditors' remuneration - audit of the financial statements	<u>5,500</u>	<u>5,200</u>
Auditors' remuneration - other fees		
- non-audit services	<u>-</u>	<u>-</u>

4. Directors' remuneration

The directors, whose remuneration is borne by the parent company, W Lucy & Co Ltd are members of the defined benefit scheme of W Lucy Pension Scheme. The company does not operate share option or other long-term incentive schemes for the directors.

5. Pension costs

The company is a participating employer in the W Lucy pension scheme.

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 recommend the level of premiums. The latest actuarial report on the scheme, which was issued in April 2011, 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 on the books of W Lucy & Co Ltd and disclosed in the group accounts.

This is a multi-employer scheme and contributions are set at a general level for each scheme 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 a defined contributions section was provided. This defined contribution section was closed for new contributions on 30th September 2007 and replaced by contributions to a stakeholder Scheme managed by AEGON Scottish Equitable.

Total contributions made by the company during the year were £258,067 (2012 £257,401).

6 Employees

	2013	2012
	£	£
Employment costs		
Wages and salaries	4,794,751	4,063,305
Social security costs	486,561	407,255
Pension costs	258,067	257,401
	<u>5,539,379</u>	<u>4,727,961</u>

The average number of employees during the year was 89 (2012 80) of which 3 were administrative (2012 3).

Lucy Switchgear (EMS) Limited
Notes to the Financial Statements for the Year Ended
31st December 2013

7. Tax on profit on ordinary activities

Analysis of charge in period	2013	2012
Current Tax	£	£
UK Corporation tax at 23 25% (2012 24 5%)	212,396	200
Foreign tax	-	31,400
Adjustments in respect of previous periods	-	-
Total current tax charge	<u>212,396</u>	<u>31,600</u>
Deferred tax		
Other timing differences and allowances	11,117	(28,414)
Total deferred taxation	<u>11,117</u>	<u>(28,414)</u>
Tax on profit/(loss) on ordinary activities	<u><u>223,513</u></u>	<u><u>3,186</u></u>

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

Profit on ordinary activities before tax	945,909	200,241
Profit on ordinary activities before tax	<u>945,909</u>	<u>200,241</u>
Tax charge at average UK corporation tax rate of 23 25% (2012 24 5%)	219,924	49,059
Prior year adjustments	-	-
Effect of change in non-allowable general provisions	(14,688)	6,100
Net effect of foreign tax rates	-	31,400
Other non-allowable expenses	2,304	500
Depreciation in excess of capital allowances	4,856	(3,200)
Utilisation of tax losses	-	(52,259)
Utilisation of group relief	-	-
Current tax charge for the period	<u><u>212,396</u></u>	<u><u>31,600</u></u>

Lucy Switchgear (EMS) Limited
Notes to the Financial Statements for the Year Ended
31st December 2013

8. Tangible Fixed Assets

	Short leasehold property	Plant and tooling	Fixtures, fittings and equipment	Motor vehicles	Total
Cost or valuation	£	£	£	£	£
At 1st January, 2013	23,269	83,697	702,292	123,475	932,733
Additions	-	220,561	81,872	21,998	324,431
Disposals	(23,269)	-	-	(22,159)	(45,428)
At 31st December, 2013	<u>-</u>	<u>304,258</u>	<u>784,164</u>	<u>123,314</u>	<u>1,211,736</u>
Depreciation					
At 1st January, 2013	17,189	20,896	433,555	29,493	501,133
Charge for year	2,065	8,360	139,797	40,621	190,843
Disposals	(19,254)	-	-	(12,284)	(31,538)
At 31st December, 2013	<u>-</u>	<u>29,256</u>	<u>573,352</u>	<u>57,830</u>	<u>660,438</u>
Net book value					
At 31st December, 2013	<u>-</u>	<u>275,002</u>	<u>210,812</u>	<u>65,484</u>	<u>551,298</u>
At 31st December, 2012	<u>6,080</u>	<u>62,801</u>	<u>268,737</u>	<u>93,982</u>	<u>431,600</u>

Lucy Switchgear (EMS) Limited
Notes to the Financial Statements for the Year Ended
31st December 2013

9 Fixed asset investments

	Shares in subsidiary undertakings
Cost	£
At 1st January, 2013	189,277
Additions	-
At 31st December, 2013	<u>189,277</u>
Net book value	
At 31st December, 2013	<u>189,277</u>
At 31st December, 2012	<u>189,277</u>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of incorporation	Shares held	
		Class	%
Lucy Switchgear Arabia Limited	Saudi Arabia	Ordinary	90

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

Subsidiary undertakings	Principal activity	Capital and reserves	Profit/(loss) for the year
		2013	2013
		£	£
Lucy Switchgear Arabia Limited	Manufacture and sales of switchgear products	210,314	-

In the opinion of the directors, the recoverable amount of the company's investment is not less than the amount included in the balance sheet

10 Debtors

	2013	2012
	£	£
Trade debtors	18,689	53,075
Amounts owed by group undertakings	2,315,521	1,977,863
Other debtors	62,330	73,447
Prepayments and accrued income	106,704	176,521
	<u>2,503,244</u>	<u>2,280,906</u>

Lucy Switchgear (EMS) Limited
Notes to the Financial Statements for the Year Ended
31st December 2013

11. Creditors - amounts falling due within one year

	2013	2012
	£	£
Trade creditors	31,414	127,214
Corporation tax	106,992	175
Amounts owed to group undertakings	394,181	277,325
Social security and other taxes	137,009	118,898
Accruals and deferred income	995,276	789,854
	<u>1,664,872</u>	<u>1,313,466</u>

12. Provision for liabilities and charges

	Expenses provisions	Warranty provisions	Total
	£	£	£
At 1st January, 2013	373,804	1,176,971	1,550,775
Charge for the year	(210,617)	(177,419)	(388,036)
Provided in the year	193,327	278,525	471,852
At 31st December, 2013	<u>356,514</u>	<u>1,278,077</u>	<u>1,634,591</u>

13 Share capital

	2013	2012
	£	£
Authorised		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
50 ordinary shares of £1 each	<u>50</u>	<u>50</u>
Equity Shares		
50 Ordinary shares of £1 each	<u>50</u>	<u>50</u>

14 Reserves

	Share premium account	Profit and loss account	Total
	£	£	£
At 1st January, 2013	387,540	166,740	554,280
Profit for the year	-	722,396	722,396
At 31st December, 2013	<u>387,540</u>	<u>889,136</u>	<u>1,276,676</u>

Lucy Switchgear (EMS) Limited
Notes to the Financial Statements for the Year Ended
31st December 2013

15 Reconciliation of movements in shareholders' funds

	2013	2012
	£	£
Profit for the year after tax	722,396	197,055
Opening shareholders' funds	554,330	357,256
Closing shareholders' funds	<u><u>1,276,726</u></u>	<u><u>554,311</u></u>

16 Contingent liabilities and financial commitments

The company has outstanding commitments for a systems implementation in the next year of £0.4m and a contingent liability for warranty work of £1.3m

17 Ultimate parent undertaking

The company is a wholly owned subsidiary of W Lucy & Co Limited, 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 ultimate parent undertaking's address at Eagle Works, Walton Well Road, Oxford OX2 6EE