



**LUCY ELECTRIC (EMS) LIMITED**  
**Annual Report And Financial Statements**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**



---

## **LUCY ELECTRIC (EMS) LIMITED**

---

### **COMPANY INFORMATION**

---

<b>Directors</b>	C. R. Dick G. D. Ashton J. C. Finch-Dick J.A. Griffiths
<b>Company secretary</b>	M. Laxton
<b>Registered number</b>	01601525
<b>Registered office</b>	Eagle Works Walton Well Road Oxford OX2 6EE
<b>Independent auditors</b>	Wenn Townsend Chartered Accountants & Statutory Auditors 30 St Giles Oxford OX1 3LE
<b>Bankers</b>	HSBC Plc 65 Cornmarket Street Oxford OX1 3HY

---

## **LUCY ELECTRIC (EMS) LIMITED**

---

### **CONTENTS**

---

	<b>Page</b>
<b>Strategic Report</b>	<b>1 - 2</b>
<b>Directors' Report</b>	<b>3 - 4</b>
<b>Independent Auditors' Report</b>	<b>5 - 8</b>
<b>Statement of Comprehensive Income</b>	<b>9 - 10</b>
<b>Statement of Financial Position</b>	<b>10</b>
<b>Statement of Changes in Equity</b>	<b>11</b>
<b>Notes to the Financial Statements</b>	<b>12 - 29</b>
The following pages do not form part of the statutory financial statements:	
<b>Detailed Profit and Loss Account and Summaries</b>	<b>30 - 33</b>

---

## **LUCY ELECTRIC (EMS) LIMITED**

---

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023**

---

#### **Introduction**

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 review**

The company reported an increase in sales of 22.2% and profit before tax is £1.9 million (2022: £1.0 million profit.) Shareholder's funds are £10.0 million (2022: £8.7 million) at 31st December 2023.

The company is continuing to develop its range of medium voltage switchgear products and its range of 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 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.

---

**LUCY ELECTRIC (EMS) LIMITED**

---

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

---

**IT and communication**

The company is dependent 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 19 February 2024 and signed on its behalf:



**M. Laxton**  
Secretary

---

## **LUCY ELECTRIC (EMS) LIMITED**

---

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023**

---

The directors present their report and the financial statements for the year ended 31 December 2023.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

#### **Principal activity**

The principal activity of the company is the development of intellectual property for medium voltage switchgear and the provision of management services to Lucy Electric within Lucy Group Ltd.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £1,257,869 (2022: £953,418).

#### **Directors**

The directors who served during the year were:

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

---

**LUCY ELECTRIC (EMS) LIMITED**

---

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

---

**Disclosure of information to auditors**

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

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Auditors**

The auditors, Wenn Townsend, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 19 February 2024 and signed on its behalf.



M. Laxton  
Secretary

---

## **LUCY ELECTRIC (EMS) LIMITED**

---

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LUCY ELECTRIC (EMS) LIMITED**

---

#### **Opinion**

We have audited the financial statements of Lucy Electric (EMS) Limited (the 'company') for the year ended 31 December 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, 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 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.



---

## **LUCY ELECTRIC (EMS) LIMITED**

---

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LUCY ELECTRIC (EMS) LIMITED (CONTINUED)**

---

We have nothing to report in this regard.

#### **Opinion 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 the 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 or 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 3, 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 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.

---

## **LUCY ELECTRIC (EMS) LIMITED**

---

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LUCY ELECTRIC (EMS) LIMITED (CONTINUED)**

---

#### **Auditors' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance and the entity's solicitors (or in-house legal team) around actual and potential litigation and claims;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

---

**LUCY ELECTRIC (EMS) LIMITED**

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LUCY ELECTRIC (EMS) LIMITED  
(CONTINUED)**

---

**Use of our report**

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 Auditors' 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.



Ajay Bahl BA BFP FCA (Senior Statutory Auditor)

for and on behalf of

**Wenn Townsend**

Chartered Accountants  
Statutory Auditors

30 St Giles  
Oxford  
OX1 3LE

19 February 2024

# LUCY ELECTRIC (EMS) LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	2022 £
Turnover	4	24,764,138	20,260,144
Cost Of Sales		(22,786,682)	(19,099,038)
<b>Gross profit</b>		<u>1,977,456</u>	<u>1,161,106</u>
Administration Expenses		(413,032)	(349,479)
Other operating income	5	369,667	211,894
<b>Operating profit</b>	6	<u>1,934,091</u>	<u>1,023,521</u>
Interest receivable and similar income	10	457,196	395,225
Interest payable and similar expenses	11	(464,299)	(401,514)
<b>Profit before tax</b>		<u>1,926,988</u>	<u>1,017,232</u>
Tax on profit	12	(669,119)	(63,814)
<b>Profit and total comprehensive income for the financial year</b>		<u><u>1,257,869</u></u>	<u><u>953,418</u></u>

The notes on pages 12 to 29 form part of these financial statements.

**LUCY ELECTRIC (EMS) LIMITED**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2023**

	Note	2023 £	2022 £
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	13	575,551	586,553
Property, plant and equipment	14	258,718	165,844
Investments	15	2,282,247	9,025,150
<b>Non-current assets</b>		<b>3,116,516</b>	<b>9,777,547</b>
<b>Current assets</b>			
Trade and other receivables	16	13,157,236	13,210,383
Cash at bank and in hand		3,099,920	1,511,991
		<b>16,257,156</b>	<b>14,722,374</b>
Current Liabilities	17	(2,851,306)	(3,154,911)
<b>Net current assets</b>		<b>13,405,850</b>	<b>11,567,463</b>
<b>Total assets less current liabilities</b>		<b>16,522,366</b>	<b>21,345,010</b>
Non-current liabilities	18	(2,195,570)	(8,922,226)
		<b>14,326,796</b>	<b>12,422,784</b>
<b>Provisions for liabilities</b>			
Provisions	21	(4,331,032)	(3,684,889)
<b>Total provisions</b>		<b>(4,331,032)</b>	<b>(3,684,889)</b>
<b>Net assets</b>		<b>9,995,764</b>	<b>8,737,895</b>
<b>Capital and reserves</b>			
Called up share capital	22	22,000,050	22,000,050
Share premium account	23	387,540	387,540
Profit and loss account		(12,391,826)	(13,649,695)
<b>Shareholders' funds</b>		<b>9,995,764</b>	<b>8,737,895</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 February 2024.

C. R. Dick  
Director



G. D. Ashton  
Director



The notes on pages 12 to 29 form part of these financial statements.

# LUCY ELECTRIC (EMS) LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>At 1 January 2022</b>	22,000,050	387,540	(14,603,113)	7,784,477
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	953,418	953,418
<b>Total comprehensive income for the year</b>	-	-	953,418	953,418
<b>At 1 January 2023</b>	22,000,050	387,540	(13,649,695)	8,737,895
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	1,257,869	1,257,869
<b>Total comprehensive income for the year</b>	-	-	1,257,869	1,257,869
<b>At 31 December 2023</b>	22,000,050	387,540	(12,391,826)	9,995,764

The notes on pages 12 to 29 form part of these financial statements.

---

## **LUCY ELECTRIC (EMS) LIMITED**

---

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

---

#### **1. General information**

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

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The following principal accounting policies have been applied:

##### **2.2 Financial Reporting Standard 101 - reduced disclosure exemptions**

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
- IFRS 15: Various disclosures in respect of revenue recognition including disaggregation of revenue and details of performance obligations

This information is included in the consolidated financial statements of Lucy Group Ltd as at 31st December 2023 and these financial statements may be obtained from the parent undertaking's address at Eagle Works, Walton Well Road, Oxford, OX2 6EE.

##### **2.3 Going concern**

The company has sufficient financial resources, including the continued support of the ultimate parent company, to continue in operational existence in the foreseeable future. As a result the going concern basis of accounting in preparing the financial statements has been adopted.

##### **2.4 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 of Lucy Group Ltd., a company incorporated in England and Wales, and is included in the consolidated accounts of the company.

---

## **LUCY ELECTRIC (EMS) LIMITED**

---

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

---

## **2. Accounting policies (continued)**

### **2.5 Foreign currency translation**

#### **Functional and presentation currency**

The company's functional and presentational currency is Pound Sterling which is also the functional currency of the company.

#### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

### **2.6 Turnover**

Turnover is measured at the fair value of consideration received or receivable, excluding sales taxes and net of returns, trade discounts and volume rebates. Revenue is recognised when control of the products or services has transferred to the customer.

### **2.7 Leases**

The company recognises a right of use asset and a lease liability at the lease commencement date. The asset is initially measured at cost and subsequently depreciated using the straight line method from the commencement date to the end of the useful life of the asset or the end of the lease term, whichever is earlier.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if this is not available the companies incremental borrowing rate. Generally the incremental borrowing rate is used. The lease liability is subsequently measured at amortised cost using the effective interest method.

The company has elected not to recognise right of use assets and liabilities for short term leases of assets that have a lease term of less than 12 months and leases where the underlying asset is of low value. Such leases are recognised as an expense on a straight line basis over the term of the lease.



---

## **LUCY ELECTRIC (EMS) LIMITED**

---

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

---

## **2. Accounting policies (continued)**

### **2.8 Research and development**

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Income Statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, should only be capitalised if the following criteria is satisfied:

- It is technically feasible that the development can be completed and the resulting intangible asset be available for use or sale
- It is intended to complete the development and use or sell the resulting intangible asset
- It is possible to use or sell the intangible assets
- The intangible asset will generate future economic benefits
- Adequate technical, financial and other resources are available to complete the intangible asset and use or sell it
- The benefits derived from the intangible asset are expected to last more than 2 years
- The cost of development of the intangible asset is greater than £500k

Development costs not meeting these criteria for capitalisation are expensed as incurred.

### **2.9 Government grants**

Government grants received on capital expenditure are initially recognised within deferred income on the company's statement of financial position and are subsequently recognised in profit or loss on a systematic basis over the useful life of the related capital expenditure.

Grants for revenue expenditure are presented as part of the profit or loss in the periods in which the expenditure is recognised.

### **2.10 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

### **2.11 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

### **2.12 Post employment benefit 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 provided a defined contribution scheme. 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 (EMS) LIMITED**

---

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

---

## **2. Accounting policies (continued)**

### **2.13 Current and deferred 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.

### **2.14 Intangible assets**

Intangible assets, other than goodwill, are stated at cost less accumulated amortisation. Amortisation is calculated to write off the cost of the asset on a straight line basis over the life of the asset. The residual value, if significant is reassessed annually.

### **2.15 Property, plant and equipment**

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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 6% - 25% per year on a straight line basis
Motor vehicles	- 25% per year on a straight line basis
Fixtures and fittings	- 10% - 25% per year on a straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Land and buildings are depreciated over the life of the lease.

### **2.16 Investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

---

## **LUCY ELECTRIC (EMS) LIMITED**

---

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

---

#### **2. Accounting policies (continued)**

##### **2.17 Receivables**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **2.18 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.

##### **2.19 Payables**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

##### **2.20 Provisions for 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.

---

## LUCY ELECTRIC (EMS) LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

---

#### 3. Judgments in applying accounting policies and key sources of 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 and contingent liabilities

Management judgement is required in measuring and recognising provisions for warranties. Judgement is required in order to assess the likelihood and amounts of future claims. Management estimates are based on past experience, assessed against the probability of future outcomes.

#### 4. Turnover

In the opinion of the Directors it would be prejudicial to the interests of the Company to disclose a detailed analysis of turnover.

#### 5. Other operating income

	2023 £	2022 £
R&D expenditure credit (RDEC)	358,667	207,994
Profit on disposal of tangible assets	11,000	3,900
	<u>369,667</u>	<u>211,894</u>

---

## LUCY ELECTRIC (EMS) LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

---

#### 6. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Research & development charged as an expense	5,974,076	5,387,798
Depreciation of tangible fixed assets	71,233	68,660
Amortisation of intangible assets, including goodwill	96,900	97,526
Exchange differences	181,680	(392,837)
Defined contribution pension cost	259,504	174,485
Defined benefit pension cost	227,067	194,943
R&D expenditure credit (RDEC)	(358,667)	(207,994)

#### 7. Auditors' remuneration

During the year, the company obtained the following services from the company's auditors:

	2023 £	2022 £
Fees payable to the company's auditors for the audit of the company's financial statements	8,165	7,560

Non audit fees

The company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent company.

#### 8. Employees

Staff costs were as follows:

	2023 £	2022 £
Wages and salaries	7,826,759	6,437,062
Social security costs	725,800	666,658
Cost of defined benefit scheme	227,067	194,943
Cost of defined contribution scheme	259,504	174,485
	9,039,130	7,473,148

---

## LUCY ELECTRIC (EMS) LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

---

#### 8. Employees (continued)

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

	2023 No.	2022 No.
Production and distribution	93	79
Administration	13	13
	<u>106</u>	<u>92</u>

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, as at 5 April 2023, shows there is a surplus of assets compared with actuarially determined liabilities. The pension costs of these members are charged as incurred, all surpluses and 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 defined contribution scheme called the Lucy Group Personal Pension Scheme that is auto enrolment compliant.

#### 9. Directors' remuneration

Only one director (2022: 1) is employed by and received remuneration from the Company. The other directors' are employed by other group companies and receive remuneration from these companies.

The directors aggregate remuneration in respect of qualifying services were £378,106 (2022: £359,300)

The highest paid director received remuneration of £378,106 (2022 - £359,300).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2022 - £NIL).

#### 10. Finance income

	2023 £	2022 £
Interest receivable & similar income	457,196	395,225
	<u>457,196</u>	<u>395,225</u>

**LUCY ELECTRIC (EMS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**11. Interest payable and similar expenses**

	<b>2023</b> <b>£</b>	<b>2022</b> <b>£</b>
Other loan interest payable	5,205	5,932
Loans from group undertakings	459,094	395,582
	<u>464,299</u>	<u>401,514</u>

**12. Taxation**

	<b>2023</b> <b>£</b>	<b>2022</b> <b>£</b>
<b>Corporation tax</b>		
Current tax on profits for the year	442,420	154,878
Adjustments in respect of previous periods	216,367	(79,820)
	<u>658,787</u>	<u>75,058</u>
<b>Total current tax</b>	<u>658,787</u>	<u>75,058</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences		(4,467)
Capital allowances	10,332	(6,777)
<b>Total deferred tax</b>	<u>10,332</u>	<u>(11,244)</u>
<b>Taxation on profit on ordinary activities</b>	<u>669,119</u>	<u>63,814</u>

---

---

**LUCY ELECTRIC (EMS) LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

---

---

**12. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2022 - lower than) the standard rate of corporation tax in the UK of 23.5% (2022: 19%). The differences are explained below:

	<b>2023</b> <b>£</b>	<b>2022</b> <b>£</b>
Profit on ordinary activities before tax	1,926,988	1,017,231
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.5% (2022: 19%)	452,842	193,274
<b>Effects of:</b>		
Expenses not deductible for tax purposes	39,520	682
Capital allowances for year in excess of depreciation	-	(323)
Losses not recognised for deferred tax	(34,463)	(60,284)
Foreign Tax	65,670	-
Overseas tax rates	8,110	-
Adjustments to tax charge in respect of prior periods	216,367	(79,820)
Short-term timing difference leading to an increase (decrease) in taxation	-	(15,479)
Non-taxable income	(46)	28,463
Group relief and other reliefs	(79,893)	-
Effect of increased tax rate	1,012	(2,699)
<b>Total tax charge for the year</b>	<b>669,119</b>	<b>63,814</b>



# LUCY ELECTRIC (EMS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 13. Intangible assets

	Patents £	Development expenditure £	Intellectual property £	Computer software £	Total £
<b>Cost</b>					
At 1 January 2023	321,660	969,004	-	1,663,902	2,954,566
Additions - external	-	-	64,500	21,398	85,898
Disposals	-	-	-	(484,620)	(484,620)
At 31 December 2023	321,660	969,004	64,500	1,200,680	2,555,844
<b>Amortisation</b>					
At 1 January 2023	321,660	387,602	-	1,658,751	2,368,013
Charge for the year on owned assets	-	96,900	-	-	96,900
On disposals	-	-	-	(484,620)	(484,620)
At 31 December 2023	321,660	484,502	-	1,174,131	1,980,293
<b>Net book value</b>					
At 31 December 2023	-	484,502	64,500	26,549	575,551
At 31 December 2022	-	581,402	-	5,151	586,553

# LUCY ELECTRIC (EMS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

### 14. Property, plant and equipment

	Land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2023	267,347	408,507	158,213	340,924	1,174,991
Additions	70,668	3,675	74,500	15,264	164,107
Disposals	-	-	(51,815)	-	(51,815)
At 31 December 2023	338,015	412,182	180,898	356,188	1,287,283
<b>Depreciation</b>					
At 1 January 2023	149,322	377,590	158,213	324,022	1,009,147
Charge for the year on owned assets	-	26,965	1,552	1,019	29,536
Charge for the year on right- of-use assets	41,697	-	-	-	41,697
Disposals	-	-	(51,815)	-	(51,815)
At 31 December 2023	191,019	404,555	107,950	325,041	1,028,565
<b>Net book value</b>					
At 31 December 2023	146,996	7,627	72,948	31,147	258,718
At 31 December 2022	118,025	30,917	-	16,902	165,844

The net book value of land and buildings may be further analysed as follows:

	2023 £	2022 £
Leasehold property	146,996	118,025
	146,996	118,025

**LUCY ELECTRIC (EMS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**14. Property, plant and equipment (continued)**

The net book value of owned and leased assets included as "Property, plant and equipment" in the statement of financial position is as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Tangible fixed assets owned	111,722	47,819
Right-of-use tangible fixed assets	146,996	118,025
	<u>258,718</u>	<u>165,844</u>

Information about right-of-use assets is summarised below:

**Net book value**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Land and buildings	146,996	118,025
	<u>146,996</u>	<u>118,025</u>

**Depreciation charge for the year ended**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Land and buildings	41,697	39,342
	<u>41,697</u>	<u>39,342</u>

**Additions to right-of-use assets**

	<b>2023</b>
	<b>£</b>
Land and buildings	<u>70,668</u>

## LUCY ELECTRIC (EMS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

#### 15. Fixed asset investments

	Investments in subsidiary companies £	Loans to subsidiaries £	Total £
<b>Cost or valuation</b>			
At 1 January 2023	189,277	8,835,873	9,025,150
Loan repayments	-	(6,742,903)	(6,742,903)
At 31 December 2023	<u>189,277</u>	<u>2,092,970</u>	<u>2,282,247</u>

#### Subsidiary undertaking

The following was a subsidiary undertaking of the company:

Name	Registered office	Class of shares	Holding
Lucy Switchgear Arabia Company Limited	Saudi Arabia	Ordinary	90%

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.

The loan due from group undertakings relate to a SAR 10m loan to Lucy Switchgear Arabia Ltd dated 21st June 2022. The loan has an initial term of 5 years and bears interest at 4% per annum above CME Group Inc's three-month term SOFR rate.

#### 16. Trade and other receivables

	2023 £	2022 £
Amounts owed by group undertakings	11,489,532	11,471,782
Other debtors	238,233	120,822
Prepayments and accrued income	745,736	662,292
Tax recoverable	609,136	871,668
Deferred taxation (Note 20)	74,599	83,819
	<u>13,157,236</u>	<u>13,210,383</u>

---

---

**LUCY ELECTRIC (EMS) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

---

**17. Trade and other payables: Amounts falling due within one year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade payables	324,388	671,526
Amounts owed to group undertakings	814,465	1,343,397
Other taxation and social security	189,290	265,900
Lease liabilities	55,253	40,654
Accruals and deferred income	1,467,910	833,434
	<u>2,851,306</u>	<u>3,154,911</u>

**18. Non - current liabilities**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Lease liabilities	102,600	86,355
Amounts owed to group undertakings	2,092,970	8,835,871
	<u>2,195,570</u>	<u>8,922,226</u>

The loan payable to group undertakings relate to a SAR 10m loan from Lucy Group Ltd dated 21st June 2022. The loan has an initial term of 5 years and bears interest at 4% per annum above CME Group Inc's three-month term SOFR rate.

---

## LUCY ELECTRIC (EMS) LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

---

#### 19. Leases

##### Company as a lessee

The company leases a number of assets and property, plant and equipment includes £146,996 of right of use assets that are leased.

Net book value of lease liabilities are due as follows:

	2023 £	2022 £
Not later than one year	55,253	40,654
Between one year and five years	102,600	86,355
	<u>157,853</u>	<u>127,009</u>

Contractual undiscounted cash flows are due as follows:

	2023 £	2022 £
Not later than one year	62,366	44,996
Between one year and five years	111,581	89,992
	<u>173,947</u>	<u>134,988</u>

The following amounts in respect of leases, where the company is a lessee, have been recognised in profit or loss:

	2023 £	2022 £
Expenses relating to short-term leases	5,172	5,932
Depreciation charge for the year	<u>41,697</u>	<u>39,342</u>

**LUCY ELECTRIC (EMS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**20. Deferred taxation**

	<b>2023 £</b>
At beginning of year	83,819
Charged to profit or loss	(10,332)
Adjustment in respect of prior years	1,112
<b>At end of year</b>	<b>74,599</b>

The deferred tax asset is made up as follows:

	<b>2023 £</b>	<b>2022 £</b>
Fixed asset timing differences	57,391	71,164
Other timing differences	17,208	12,655
	<b>74,599</b>	<b>83,819</b>

**21. Provisions**

	<b>Warranty provision £</b>
At 1 January 2023	3,684,889
Charged to profit or loss	1,539,563
Utilised in year	(893,422)
<b>At 31 December 2023</b>	<b>4,331,030</b>

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

---

## LUCY ELECTRIC (EMS) LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

---

#### 22. Share capital

	2023 £	2022 £
<b>Authorised, allotted, called up and fully paid</b>		
22,000,050 (2022: 22,000,050) Ordinary shares shares of £1.00 each	22,000,050	22,000,050

#### 23. Reserves

##### Share premium account

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.

#### 24. Controlling party

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.



---

**LUCY ELECTRIC (EMS) LIMITED**

---

---

**DETAILED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2023**

---

	Note	2023 £	2022 £
Turnover		24,764,138	20,260,144
Cost of sales		(22,786,682)	(19,099,038)
<b>Gross profit</b>		<u>1,977,456</u>	<u>1,161,106</u>
<b>Gross profit %</b>		8.0 %	5.7 %
Other operating income		<u>369,667</u>	<u>211,894</u>
<b>Less: overheads</b>			
Administration expenses		(413,032)	(349,479)
<b>Operating profit</b>		<u>1,934,091</u>	<u>1,023,521</u>
Interest receivable		457,196	395,225
Interest payable		(464,299)	(401,514)
Tax on profit on ordinary activities		(669,119)	(63,814)
<b>Profit for the year</b>		<u>1,257,869</u>	<u>953,418</u>

---

**LUCY ELECTRIC (EMS) LIMITED**

---

**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

---

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Turnover</b>		
Management recharges	11,155,329	8,393,105
Royalties receivable from group companies	13,554,809	11,813,039
Royalties receivable	54,000	54,000
	<u>24,764,138</u>	<u>20,260,144</u>

**LUCY ELECTRIC (EMS) LIMITED**

**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Cost of sales</b>		
Engineering recharge	3,906,303	3,408,247
Wages and salaries	7,826,759	6,437,062
National insurance	725,800	666,658
CoS staff pens costs - defined contribution scheme	259,504	174,485
CoS staff pens costs - defined benefit schemes	227,067	194,943
Health insurance	27,151	24,405
Consumables	108,917	124,334
Carriage and import duty	304,019	177,719
Hire of plant and equipment	-	345
Depreciation of plant and equipment	69,682	68,872
Amortisation of contract costs	96,900	96,900
Insurance	11,639	8,426
Royalty payable	63,606	-
Warranty costs	1,542,563	1,660,797
Foreign exchange differences	181,680	(392,837)
Research and development	2,217,559	2,236,099
Computer costs	1,994,363	1,722,200
Insurance	33,215	29,265
Advertising	6,670	34
Motor expenses	15,888	7,601
Printing, postage and stationery	2,084	1,147
Sundry	105,895	83,781
Telephone	37,641	32,464
Production recharge	385,656	190,661
Travel and subsistence	526,227	427,320
Training and recruitment	149,147	120,813
Site cost recharge	683,604	651,490
Legal and professional fees	506,422	411,140
Consultancy	61,875	-
IT recharge	634,642	476,922
Quality audit fees	74,204	57,745
	<u>22,786,682</u>	<u>19,099,038</u>

**LUCY ELECTRIC (EMS) LIMITED**

**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Other operating income</b>		
R&D expenditure credit (RDEC)	358,667	207,994
Profit on disposal of fixed assets	11,000	3,900
	<u>369,667</u>	<u>211,894</u>
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Administration expenses</b>		
Charity donations	30	-
Auditors' remuneration	8,206	7,000
Bank charges	4,784	3,693
Service charges - interco	400,012	338,786
	<u>413,032</u>	<u>349,479</u>
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Interest receivable</b>		
Other interest receivable	457,196	395,225
	<u>457,196</u>	<u>395,225</u>
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Interest payable</b>		
Group interest payable	459,094	395,582
Other loan interest payable	5,205	5,932
	<u>464,299</u>	<u>401,514</u>