



Lucy

Lucy Group Ltd

Annual Report & Accounts 2024

Making the built environment sustainable.



Lucy Group is an international group that makes the built environment sustainable.

Our electric businesses advance the transition to a carbon-free world with infrastructure that enables renewable energy and smart cities.

Our real estate businesses support sustainable living through responsible property development and investment.

For more information visit our website:
www.lucygroup.com

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HIGHLIGHTS

Financial Highlights

Turnover (£m)

£409.3m

2020	204.0m
2021	263.8m
2022	313.2m
2023	359.1m
2024	409.3m

Rental income

£9.9m

2020	7.9m
2021	8.2m
2022	8.4m
2023	9.1m
2024	9.9m

Net assets

£393.9m

2020	201.4m
2021	238.4m
2022	289.1m
2023	324.1m
2024	393.9m

Earnings per share

14,504p

2020	4,731p
2021	6,403p
2022	6,989p
2023	8,241p
2024	14,504p

ESG Highlights

Carbon intensity

51.3 tCO₂e/£m
2024

54.5 tCO₂e/£m (restated)
2023

Number of CSR projects completed

212
2024

198
2023

Employee engagement

78%
2024

77%
2023

Operating profit before net valuation gains on investment property

£80.8m

2020	26.0m
2021	39.5m
2022	35.5m
2023	62.3m
2024	80.8m

Profit before tax

£85.2m

2020	27.1m
2021	42.2m
2022	35.3m
2023	59.5m
2024	85.2m

Total comprehensive income for the year

£74.2m

2020	16.0m
2021	39.5m
2022	52.8m
2023	37.8m
2024	74.2m

Total dividends per share (paid and proposed)

301p core **600p** special

2020	215p	125p
2021	233p	150p
2022	264p	175p
2023	286p	300p
2024	301p	600p



Richard Dick
Executive Chairman



“ It has been a strong year in which we have delivered a robust performance in competitive markets. ”

Welcome to Lucy Group's Annual Report and Accounts for the year ending December 2024. During the year, we achieved our highest yet turnover of £409m (2023: £359m) and profit before tax of £85m (2023: £59m). On the back of robust performances in the preceding four years, we have made substantial investments in new facilities and manufacturing capabilities, while continuing to generate a very positive cash flow.

Performance

The Group is therefore in a strong financial position, with net assets of £394m, which provides a foundation for strategic investment decisions in pursuit of continued growth. We take a long-term approach designed to care for our customers, reward our employees and deliver returns for our shareholders.

With the global trend to electrification and increased demand for digital solutions, Lucy Electric achieved excellent results overall, despite weak demand in some regions. We benefitted from relatively benign raw material costs and high volumes

enabled our key plants to operate very efficiently. Our customer focus continues to be a key contributor to success, as exemplified by the 'Utilities Partner of the Year' accolade awarded to Lucy Electric this year by Utility Week.

Lucy Controls grew its revenue by over 25%, principally because Flashnet again more than doubled sales, cementing its position as a leading player in the global smart street lighting market. Despite low council spending, Lucy Zodion managed to increase sales in the UK street lighting market, as well as making modest progress in the UK EV charging infrastructure space. Lawson Fuses

showed an improvement over last year's results, while strengthening the sales organisation and supply chain.

In Real Estate, Lucy Properties enjoyed another excellent year, with healthy rental income and occupancy levels in a market with strong demand. In contrast, Lucy Developments had a difficult year in a weak market for house sales. With development land in short supply, the business is looking to take on larger sites to provide economies of scale.

Dividend

The Board recommends a final dividend of 179p to be paid on 1st May 2025 which, including the interim dividend of 122p per share, represents a full-year core dividend of 301p (2023: 286p). In addition, a special dividend of 600p per share (2023: 300p per share) was paid in December 2024.

Strategic developments

This year we have made major investments in manufacturing capacity, as well as in plant, equipment, and data collection. Building on the implementation of Microsoft D365 in previous years, we are deriving benefit from its rich functionality as we broaden and deepen its use across the Group.

Lucy Electric relocated and significantly enhanced its production facilities in Saudi Arabia, with a major capital investment in support of the government's drive for increased manufacturing within the country. Officially opened in September, the new site will enhance Lucy Electric's manufacturing capacity and create job opportunities for Saudi nationals, supporting the country's Saudization goals. Meanwhile, the extension to our factory in Vadodara, India, will ensure we can meet an increasing demand for product components. We also commenced a large expansion at our Sowerby Bridge site, which from Q2 2025 will add manufacturing capacity as we continue to grow our presence in the EV infrastructure market.

Thames Valley 250 award winner

Richard Dick won the 'CEO of the Year (over £50m)' award at the 14th annual Thames Valley 250 Awards event, which was held at Easthampstead Park, Wokingham on the evening of 8 October 2024.

The judges said: "It is the ability to continually innovate and evolve the business over such a long period, led by Richard, that makes Lucy Group stand out."

In product development, Lucy Electric launched its new generation of Ecotec environmentally friendly (synthetic air) ring main units at a very successful open day for customers at Silverstone - first orders are now being received. Last year, we acquired the assets and IP of Fundamentals' AI and machine-learning business, which is now helping to establish digital solutions as a key competency. Lucy Zodion expanded their EV feeder pillar range to address the higher energy applications required by super rapid charging hubs. Lawson Fuses continued to develop its product pipeline and launched a time-delay fuse, a very specialist protection device used mainly in ring main units. It was also very rewarding this year for Lucy Real Estate to be presented with the Oxford Preservation Trust's New Buildings Plaque for the redevelopment of the former Jericho Health Centre.

People

We have developed a strong culture across the Group, which is a challenge for a multinational business based in Oxford and employing people across several continents in widely differing environments. To enable this, our management and communication teams have worked hard to ensure a sense of cohesion and common purpose. To help our understanding as a Board, the Directors continue to make UK and overseas visits to talk to people first-hand about their own businesses and the Group.

This year, we have strengthened the senior management in both Lucy Real Estate and Lucy Controls, and appointed Michael Dick as an additional Non-Executive Director for the Lucy Group Board.

Employing and developing talented people is the key to success, and we aim to be an outstanding career choice for the best in our industry. Therefore, we continued to invest in training programmes across the Group, to set individual objectives and to measure performance. We piloted a Future Leaders programme in Lucy Electric, which we intend to extend to all businesses. As a measure, our Group-wide engagement survey score stands at 78%, with our goal being to score above 80% and remain within the top 10% of our peer group.

ESG

Sustainability is integral to our purpose. I am pleased that so many people across the Group are engaged with environmental initiatives, whether increasing solar power and LED lighting or decreasing non-recyclable waste. Our carbon intensity levels are decreasing, but our absolute emissions have in some cases risen due to the expansion of the business. Nevertheless, our aim remains to continually reduce absolute emissions as rapidly as possible.

I believe very strongly in supporting and encouraging our many charitable initiatives, which are very much inherent in our business ethos. Across the Group, we undertook 200 such projects this year, with every business location involved in community investment and volunteering. I am particularly pleased that Lucy Electric won the Social Value category award at the inaugural Scottish and Southern Electricity Networks (SSEN) Supplier Sustainability Awards.

We are committed to ensuring a robust framework for good governance across all areas of the Group's activities. We continued the roll-out of the Leading Responsibly framework we adopted last year, a set of clear policies and processes that enable our businesses to operate more independently, yet within a broader Group governance framework.

Outlook

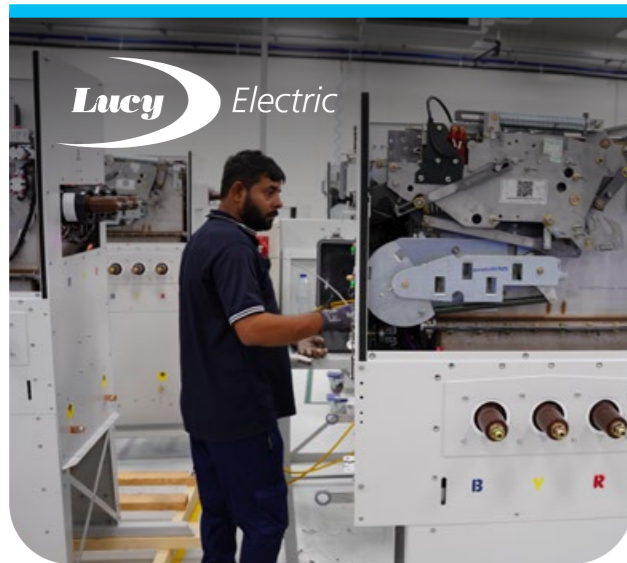
Lucy Group is well positioned to weather economic uncertainty and take advantage of growth markets. However, competition is increasing in several of our key markets, putting pressure on margins, which is likely to impact future performance. Additionally, it is yet to be seen what further uncertainties may emerge from ongoing international political situations and policies. With a healthy financial position, we can continue to evaluate the potential of additional strategic acquisitions to support growth.

2024 has been an exceptional year and, for this, I would like to extend my thanks to our hard-working employees, on whose talents we rely. As long as we remain agile in response to changing market requirements and able to exploit our key strengths, the future for Lucy Group remains very positive.

Richard Dick
Executive Chairman

20 March 2025

OUR BUSINESS AT A GLANCE



Lucy Electric

Lucy Electric

Lucy Electric is an international leader in intelligent secondary power distribution products and solutions, with features such as remote operation and monitoring. Linking energy generation to consumption, the business specialises in high-performance medium and low-voltage switchgear for utility, industrial and commercial applications.

➔ For more information on **Lucy Electric**, see our **Business Review** on page 34.



Lucy Controls

Lucy Zodion

Lucy Zodion is an industry leader in advanced street lighting controls, power distribution and electric vehicle (EV) supply solutions. Our products assist customers with energising urban and highways infrastructure from the ground up. Our range includes photocells, power distribution enclosures, EV connection feeder pillars, isolators, cut outs and switchgear.

➔ For more information on **Lucy Controls**, see our **Business Review** on page 38.



Lawson Fuses

Lawson Fuses specialises in the design, development and manufacture of low-voltage, high-rupturing capacity (HRC) fuse links and fuse holders. Sold directly and via distributors, applications include electric and electronic capital equipment, utilities, renewable energy and domestic households.



Flashnet

Flashnet offers a portfolio of smart, connected street lighting and grid management systems. The business integrates the latest information, Internet of Things (IoT), energy and telecommunications technologies into hardware and software solutions to create and implement intelligent infrastructure and city control systems.



Lucy Real Estate

Lucy Properties

As one of Oxford's largest private landlords, Lucy Properties is a lettings and management business that invests in and manages over 350 commercial and residential properties for over 850 tenants, with in-house service and maintenance, and an increasing focus on sustainable living.

➔ For more information on **Lucy Real Estate**, see our **Business Review** on page 42.



Lucy Developments

Lucy Developments is a developer of attractive, sustainable homes, with prime sites within a 90-minute commute of Oxford. We craft bespoke, quality properties with EPC A or B ratings, which embrace innovative design, ecological materials and renewable energy.





Energy distribution

Overview

Our switchgear and EV charging infrastructure enable the efficient distribution of electricity, with features such as remote switching and monitoring. Our BSI-certified, low-voltage fuses provide electrical safety and protection.

Why is it important to us?

By connecting renewables to the grid – including solar, wind, hydro and geothermal power – we can help reduce the planet's carbon footprint and mitigate the impacts of climate change. A diversified energy mix also increases resilience to supply disruptions and price fluctuations.

Our business units

Lucy Electric, Lucy Zodion and Lawson Fuses.

Our solutions include:

- secondary power distribution equipment;
- switchgear for connection and control of renewable power;
- distribution substations for EV charging networks;
- fuses for safe energy delivery; and
- smart grid monitoring and control.

Our opportunity

Our core low and medium-voltage switchgear market is set to grow at a CAGR of 4.7% to 2032.

[→](#) Read more about **Market Overview** on pages **14 to 17**.



Smart cities

Overview

Our intelligent street lighting, EV charging infrastructure and IoT connectivity help deliver information to users, achieve operational efficiencies, and gain energy savings.

Why is it important to us?

Smart cities provide a framework for integrating sustainable practices into urban environments. Smart technologies and AI – including predictive modelling – enable more efficient monitoring and management of energy consumption, thereby minimising energy waste, cost and carbon emissions.

Our business units

Lucy Zodion and Flashnet.

Our solutions include:

- smart city management and control;
- street lighting infrastructure;
- feeder pillars for EV charging;
- big data capture and digitalisation; and
- electrical safety and protection.

Our opportunity

The global smart street lighting market is projected to grow at a CAGR of 21% to 2028. The number of public EV charging points in the UK alone is expected to rise by over 300% in the next five years.

[→](#) Read more about **Market Overview** on pages **14 to 17**.



Sustainable living

Overview

Our residential property development, investment, and lettings and management business focuses on the Oxford area, which was named as England's greenest city in the ENDS Report in 2023. Our properties incorporate multiple features that support sustainable living.

Why is it important to us?

Housing represents 17% of the UK's total carbon emissions. To preserve the environment, every household needs to play its part. Our developments include the use of solar power, heat pumps, EV chargers, biodiversity features and ecological materials.

Our business units

Lucy Real Estate.

Our solutions include:

- property development: ecological and energy-efficient homes;
- eco-friendly rental properties for sustainable living.

Our opportunity

The UK's Labour government aims to build 1.5 million homes in the next five years, while the UK green building market is forecast to grow at a CAGR of 11% to 2033.





[→](#) Read more about **Market Overview** on pages **14 to 17**.

OUR LOCATIONS

Our Geographical Reach

The Group trades internationally, with offices and factories in strategic locations all around the world. Our infrastructure enables us to serve geographically dispersed markets, provide efficient support to all customers, and swiftly adapt to changing demand patterns.



 1,800 employees	 5 continents	 12 countries	 60 countries we trade in
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Our Purpose Framework



Our Purpose

Lucy Group's purpose is to improve people's lives with intelligent power, smart lighting and sustainable homes.

We put people and the planet first to achieve meaningful progress in everything we do: from power distribution infrastructure that delivers electricity to homes and businesses, to switchgear that connects renewable energy sources to the grid, charging solutions that facilitate the adoption of EVs, smart cities that

deliver groundbreaking emissions reductions, and modern homes that support sustainable living. In meeting our customers' needs, we are committed to the UN Sustainable Development Goals. While advancing the built environment, we strive to preserve the natural environment and invest in the local communities we operate in.



Our Culture

Lucy Group's culture is a key driver of our continued success. Reflecting our five values, it fosters innovation, collaboration, and ethical decision making.

Operating within a defined set of Group strategic priorities that are adapted for each business, every employee is encouraged to push boundaries, while ensuring that continuous improvement is sustainable. By aligning culture with our purpose, we aim to enhance employee motivation, engagement and performance. That alignment is reinforced by an unwavering belief in wellbeing, personal growth and diversity, an ethos that extends to playing an active role in bettering the communities in which we operate.

Our culture is underpinned by a set of values that guide the way we interact with all of our stakeholders, including customers, suppliers, partners, colleagues and shareholders. These values define what it means to be a part of the Lucy family and the standards we uphold. They guide us to make the right decisions, develop our businesses and challenge the status quo.

Our Values



Caring

We treat all with fairness and respect. We value diversity. We recognise and develop our people.



Excellence

Through ingenuity and a dedication to quality, we create smart, sustainable solutions.



Trusted

We build and maintain trusted relationships with all people and partners.



Daring to differentiate

We are market leaders. We make bold decisions. We stand out.



Working together

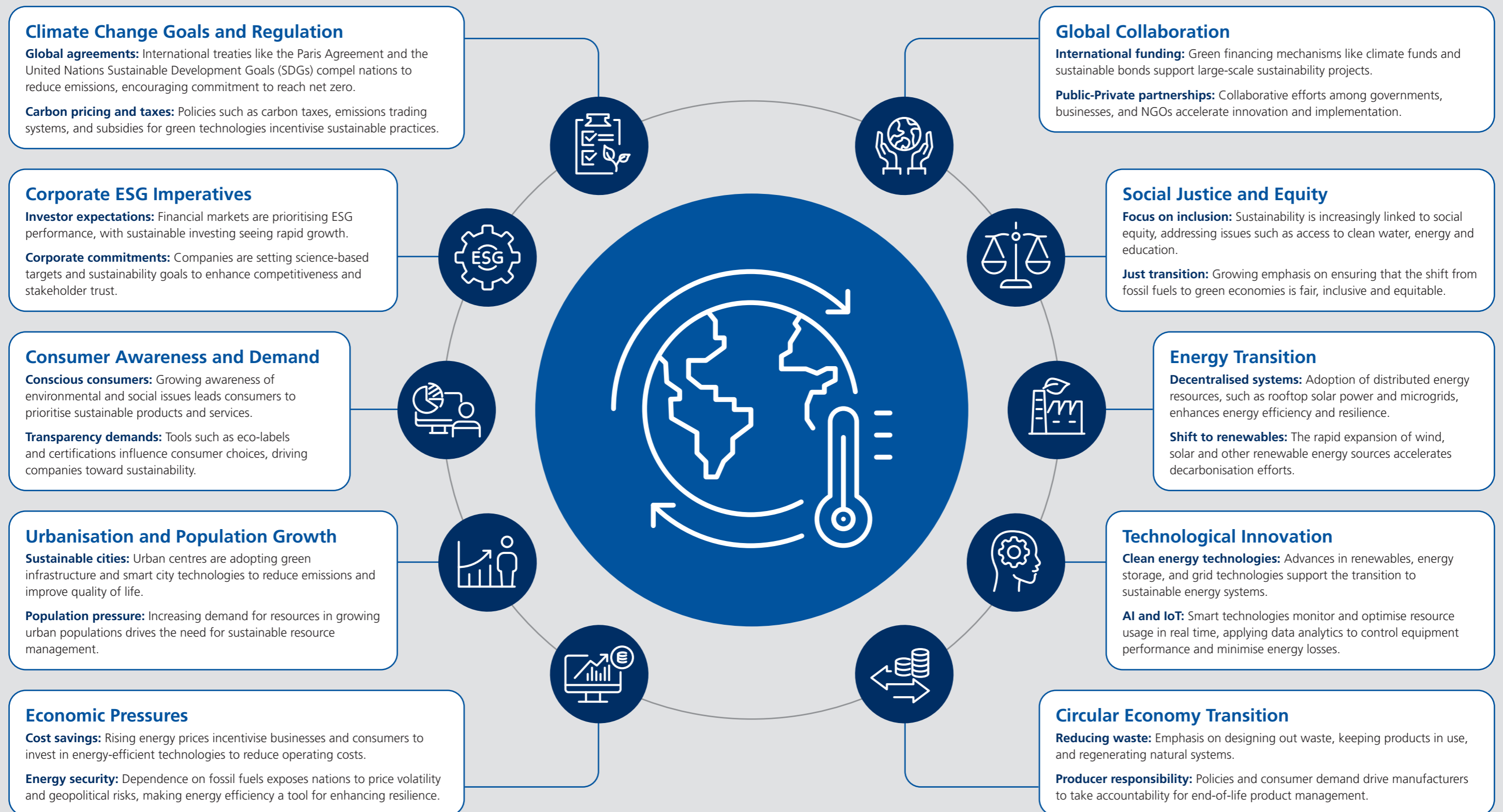
Teamwork and communication are at the forefront of everything we do. We share our knowledge across our organisation for the benefit of everyone.

STRATEGIC REPORT

In this section

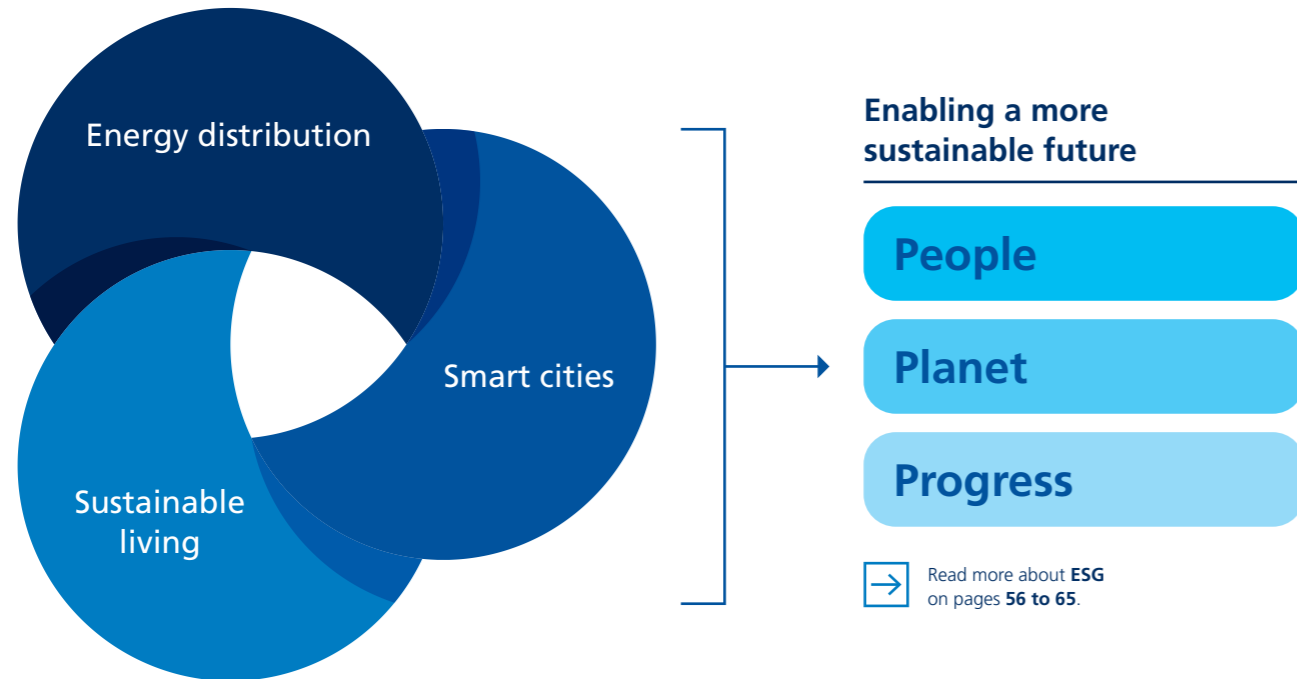
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Sustainability in the built environment is increasingly becoming a core focus for governments, businesses and individuals, driven by several macro trends that address environmental, economic and social challenges.



MARKET OVERVIEW – INDUSTRY TRENDS

Our Market at a Glance



Market research figures quoted indicate broader sector growth potential and do not represent total addressable segments for Lucy products and services.

Energy distribution



Market opportunity

The global electricity transmission and distribution market is projected to grow from £262bn in 2023 to £342bn in 2030, at a CAGR of 3.9% (source: Fortune Business Insights). At the distribution end, the global LV and MV switchgear market size was £55bn in 2023 and the market is projected to reach £84bn by 2032, a CAGR of 4.7% (source: Business Research Insights).

Rapid urban growth and industrial development, particularly in emerging economies, are leading to a surge in electricity demand, driving the need for reliable and efficient switchgear solutions. Sustainability and the push towards net zero are catalysts for the reduction of greenhouse gas emissions, as governments and regulatory bodies increasingly endorse energy-efficient systems.

The rising adoption of renewable energy sources, such as solar and wind, requires advanced switchgear to manage fluctuating power loads

and ensure seamless integration into existing grids. The growth of decentralised energy systems and microgrids is also boosting demand for low voltage switchgear that can handle localised power distribution and storage systems.

Many developed countries are upgrading outdated electrical grids to improve reliability and efficiency, driving demand for modern switchgear solutions. The transition to smart grids, which incorporate digital features like real-time monitoring and remote control, further fuels market growth. Growth in electric vehicle (EV) infrastructure is placing heavier demands on power grids, making grid management and resilience ever more important. The UK government has set a target of 300,000 public charging points by 2030, against 73,000 in use at December 2024 (source: Zapmap).

Market drivers

- Increasing demand from urban populations.
- The transition to renewable energy and the adoption of EVs.
- Growth in renewable power storage.
- Need for data and intelligent infrastructure.
- Demand for grid resilience, reliability and control.



Smart cities



Market opportunity

The global smart street lighting market is projected to grow from £2.0bn in 2024 to £4.3bn in 2028, at a CAGR of 21% (source: Research and Markets). Northeast Group forecasts that, by 2033, the overall smart cities sensors market will have a cumulative value of £342bn, of which streetlighting represents £98bn.

Growth is expected to be driven by the continued expansion of urbanisation; the introduction of more government initiatives and funding for smart infrastructure projects; heightened demand for energy-efficient solutions; a strong focus on safety and security; and a significant shift towards sustainability in urban development.

Key trends include a focus on energy efficiency within smart street lighting, the integration of Internet of Things (IoT) technologies, the utilisation

of sensors for data collection and analysis, the implementation of adaptive lighting solutions, and the continued development of smart city initiatives that integrate various cognitive technologies into urban infrastructure.

The growth of smart cities is having a significant impact on the expansion of the smart street lighting market. Smart cities leverage information and communication technology (ICT) to enhance administrative efficiency, disseminate information, improve public services, and elevate the overall wellbeing of residents. The installation of intelligent lighting systems in smart cities increases citizen satisfaction with safety and security, creates substantial savings in power consumption and maintenance costs, and presents opportunities to tailor street lighting to local conditions.

Market drivers

- Desire for higher standards of living and convenience.
- Pressure on infrastructure from growing urban populations.
- Increasing focus on renewable energy and sustainability.
- Rising demand for cost efficiencies and control.
- Advancement in intelligent analytic technologies.

Sustainable living



Market opportunity

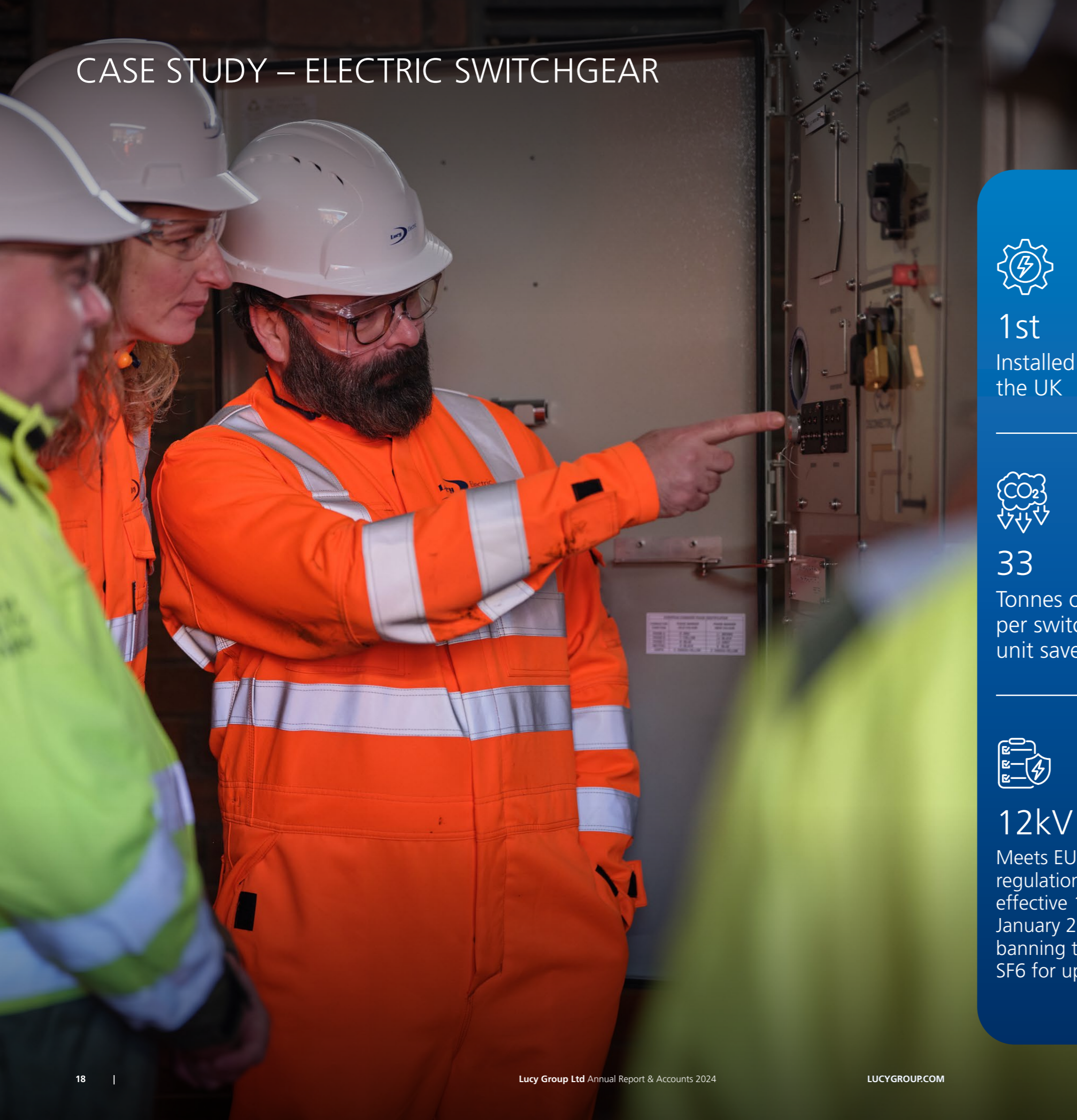
The UK's Labour government aims to build 1.5 million homes in the next five years, helped by planning reforms, the release of green belt land and the reintroduction of mandatory housing targets for local authorities. New builds will have to conform to the new Future Buildings Standard (FBS) regulation, which comes into force in 2025 and ensures that all newly constructed property meets stricter sustainability and energy efficiency criteria. The UK green building market was valued at £5bn in 2024 and is expected to grow to £14bn by 2033, at a CAGR of 11% between 2025-33 (source: IMARC Group). Oxfordshire and its neighbouring counties' residential construction accounts for around 7% of the UK's total, which will equate to over £1bn by 2033.

The goal of green building is to minimise negative effects on the environment and human health, while maximising the positive impact of energy efficiency, water conservation, biodiversity, indoor air quality and overall sustainability. A survey by Zoopla revealed that 69% of individuals who recently purchased, or are considering purchasing, a new-build home prioritise energy efficiency in their decision-making process. The preference for sustainable living is driven both by environmental and economic factors and influences the rental sector as well as new builds. According to Handelsbanken's 2024 UK Property Investor Report, 92% of investors reported tenant requests for eco-friendly features, such as heat pumps, solar panels, and electric vehicle (EV) chargers, with 58% of tenants expressing a preference for properties with an EPC rating of C or higher.

Market drivers

- Increased environmental consciousness.
- Demand for cost-of-living reductions.
- Advancements in green building technologies.
- Support of circular economy models.
- Government regulation and incentives.

CASE STUDY – ELECTRIC SWITCHGEAR



1st
Installed in
the UK



33
Tonnes of CO₂
per switchgear
unit saved



12kV
Meets EU F-Gas
regulations
effective 1st
January 2026,
banning the use of
SF6 for up to 24kV

SP Energy Networks energises the UK's first non-SF6 switchgear from Lucy Electric

Leading UK electricity network operator, SP Energy Networks (SPEN), has energised the country's first non-sulphur hexafluoride (SF6) switchgear from Lucy Electric, marking a significant milestone in the UK's grid decarbonisation journey.

The innovative Sabre EcoTec Ring Main Unit (RMU), which uses synthetic air instead of the SF6 greenhouse gas currently used to insulate critical electrical network equipment, has been installed and energised at a substation in SPEN's mid-Cheshire district. The product ensures lower emissions from network operations, addressing the challenge of a gap in available products ahead of the anticipated UK ban on SF6 in 2026.

The installation is a vital step on SPEN's journey to develop what it is calling 'truly sustainable substations', which will be environmentally sustainable at every stage of development – from design through construction to operation.





400,000
Streetlights



120,000
Flashnet
inteliLIGHT
controllers



40%
Potential energy
saving

Flashnet has won a contract to modernise streetlights on Belgium's highways

Leveraging advanced NB-IoT and LTE-catM1 communication technologies, 120,000 Flashnet inteliLIGHT controllers are being deployed as part of an autonomous lighting control system with real-time remote management. The Zhaga-compatible controllers, designed for easy installation, ensure a swift and cost-effective rollout while seamlessly integrating into the existing lighting infrastructure.

This intelligent urban solution will deliver substantial energy efficiencies, reducing power consumption and CO₂ emissions. It will also lower maintenance costs and enhance traffic safety, contributing to a smarter and more sustainable future for the country's metropolitan landscape.



CASE STUDY – ELECTRIC VEHICLES

In partnership with Instavolt, the UK's largest rapid EV charging network, Lucy Zodion and Lucy Electric teamed up to provide an end-to-end infrastructure solution at Taurus Crafts in Gloucestershire

The core solution comprised a feeder pillar and package substation. The pillar, serving six 160kW chargepoints, incorporated earth leakage, residual current and surge protections, as well as provisions for metering, anti-condensation heaters, and service lights for enhanced safety and user experience. The 500kVA package substation seamlessly integrated medium and low-voltage power distribution, while ensuring efficiency and compliance with industry standards.

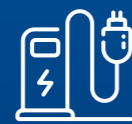
The end result not only guaranteed dependable charging performance and user satisfaction, but allowed for future scalability.



500kVA
Package
substation



800A
Feeder pillar



Serving 6
160kW
chargepoints





5

Exclusive homes



8

Miles from
Abingdon and
Wallingford



10

Year Premier
Guarantee

Lucy Developments has completed a suite of meticulously crafted homes in the picturesque South Oxfordshire village of Drayton St. Leonard

Each home in the development – known as ‘Thatcher’s Ford’ – is equipped with a shaker kitchen with quartz work surfaces and integrated appliances. The bathrooms are fitted with stylish sanitaryware and fittings, with porcelain floor and wall tiling.

Each home has been designed with the future in mind, with heating provided by air source heat pumps, low energy LED lighting throughout the ground floors, and EV charging points.

Thatcher’s Ford harmoniously merges traditional village aesthetics with striking contemporary elegance to provide a tranquil retreat, just eight miles from the charming market towns of Abingdon and Wallingford.



We create value by leveraging our key relationships, global positioning and innovative approach to deliver products that are both sustainable and fit for purpose.

1 We use our key resources

Our people

We take measures to attract, retain and develop the best talent at all levels and across all disciplines.

Our expertise

We focus on continuous improvement, through product development, value engineering and acquisitions.

Our relationships

We take pride in our great relationships with customers and other stakeholders, which are built on trust and proven track record.

Our infrastructure

We prioritise capital investment, which ensures that our worldwide manufacturing operations can meet market demand.

Our financial rigour

We take a prudent approach to growth, with a solid balance sheet underpinned by our control framework and gearing.

Our responsible approach

Sustainability is embedded in our business, in both what we offer our customers and how we manage our operations.

2 and apply our Group strategic priorities and core values...

Our Group strategic priorities

-  High performing businesses in diverse industries
-  Customers at the centre of everything we do
-  Engagement and development of our people
-  Sustainable solutions and communities
-  Excellence through innovation to differentiate and lead

Our values

-  Caring
-  Excellence
-  Working together
-  Trusted
-  Daring to differentiate

3 to enable our business units...

4 to focus on our areas of expertise...

5 and create innovative products and services...

6 that fulfil our purpose...

To improve people's lives with intelligent power, smart lighting and sustainable homes.

7 and unlock value for our stakeholders.

Consumers

Reliable solutions that 'keep the lights on' and enhance sustainable living.

Customers

Advanced, well-supported products that can be relied upon for longevity and a reduced carbon footprint.

Employees

Fulfilling, meaningful careers where people are actively engaged and rewarded for delivering value.

Shareholders

An ethical investment, providing a growing dividend return over the long term, while also furthering the sustainability agenda.

Communities

Social consciousness and investment in, and active support for, the local communities we operate in around the world.

Environment

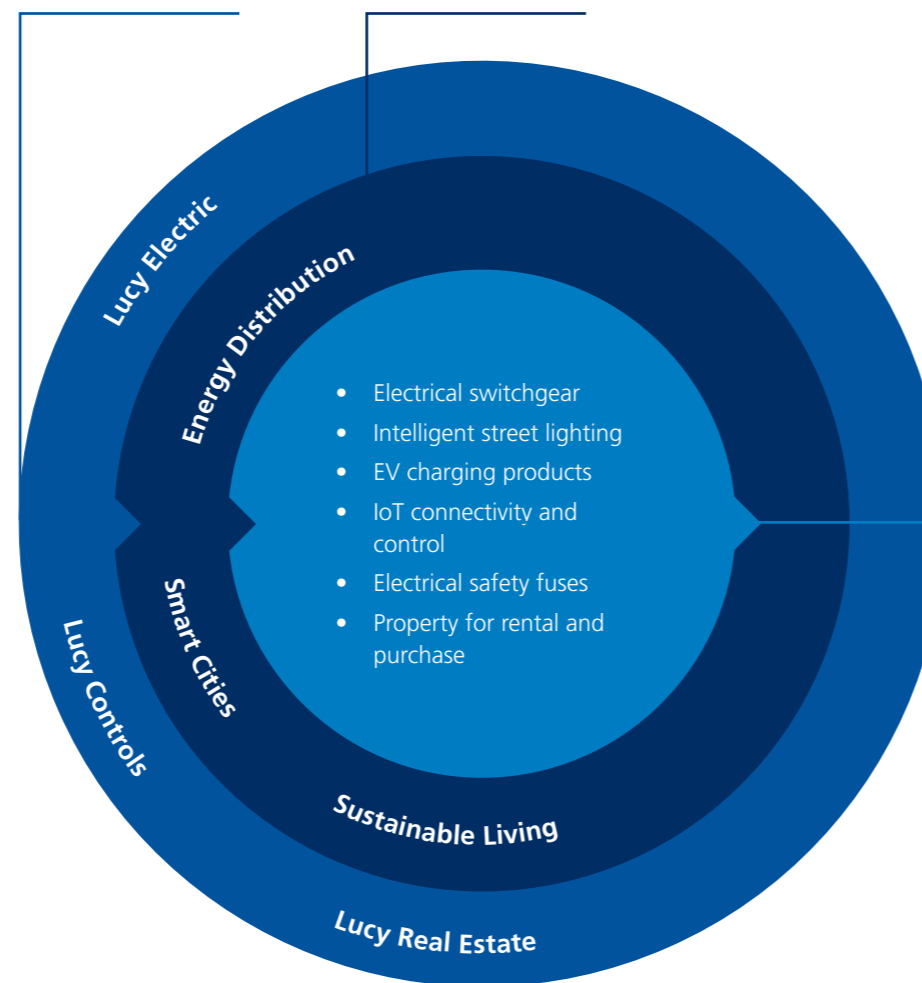
Products and operations that promote the health of the planet, mitigating climate change and promoting biodiversity.

Government

Products and services that support government schemes and regulations to proliferate renewable energy and raise appropriate taxes.

Suppliers

Long-term, strategic partnerships and contracts that allow investment for the future and shared value creation.



➔ For more information see:

- Our products and services:** pages 06 to 09.
- Our infrastructure:** page 10
- Our purpose and values:** page 11
- Our strategy:** pages 28 to 29.
- Our expertise:** pages 08 to 09.
- Our financial rigour:** pages 46 to 48.
- Our responsible approach:** pages 56 to 65.
- Our people:** pages 63 to 65.
- Our relationships:** pages 78 to 79.

Our five strategic pillars provide a guiding framework that helped us focus on achieving 2024 revenue and profit targets, while laying the foundation for long-term sustainable growth. These overarching strategic priorities were then tailored into specific goals for each business unit which, in turn, shaped each employee's personal annual objectives.



High Performing Businesses in diverse industries

Priorities

- Expansion via new and existing markets/products, while managing margins
- Continuous improvement in productivity, cost efficiency and agility
- Compliance with global policies and local regulation

Performance in 2024

- Flashnet's luminaire controllers have now been installed in 2.5 million USA streetlights across multiple states
- Lucy Electric expanded and upgraded factories in Saudi Arabia, the UAE, and India
- Launched 20 new and updated Group policies as part of the Leading Responsibly governance framework

Priorities for 2025

- Expansion via new and existing products and markets, while managing margins
- Improve productivity and supply chain resilience through cost efficiencies, agility and automation
- Compliance with global policies and local regulation

Link to KPIs



Customer at the Centre of everything we do

Priorities

- Excellent customer service and care to internal and external stakeholders
- Market intelligence and customer data to drive value and competitiveness
- An uncompromising approach to quality and standards

Performance in 2024

- By listening closely to customer requirements and developing products to match, Lucy Electric saw sales grow by 11% in 2024
- The Copilot artificial intelligence tool was launched, improving service levels at a number of customer touchpoints
- Lucy Properties and Lucy Developments achieved a Net Promoter Score of 89/100 and 78/100 respectively

Priorities for 2025

- Excellent customer service and care to internal and external stakeholders
- Market intelligence and customer data to drive value and competitiveness
- An uncompromising approach to quality and standards

Link to KPIs



Engagement and Development of our people

Priorities

- High employee engagement rates at every site and level
- Attraction, retention and upskilling of talent to support ongoing growth
- Diversity & Inclusion to stimulate fresh thinking

Performance in 2024

- Our overall employee engagement score rose to 78%, with a participation rate of 87%
- 100 courses were delivered across the globe, training over 1,200 employees on topics such as the six critical practices of leading a team and seven habits of highly effective people
- We delivered unconscious bias training to hiring managers in 2024 (47 people, 70+ hours)

Priorities for 2025

- High employee engagement rates at every site and level
- Employee attraction & retention, with workforce planning to enhance skills and employee development
- Diversity & Inclusion to stimulate fresh thinking

Link to KPIs



Sustainable solutions and communities

Priorities

- The health, safety and wellbeing of all stakeholders
- Reduced environmental impact across operations, supply chains and customers
- Actively supporting and investing in our communities

Performance in 2024

- By installing solar panels, we generated 535,181 kWh of energy, leading to a saving of 110.8 tonnes of CO₂ equivalent (tCO₂e)
- We completed a total of 47 Biodiversity Net Gain projects in 2024 against a target of 30
- We supported 80 different charities, community projects and environmental organisations and participated in 212 activities

Priorities for 2025

- The health, safety and wellbeing of all stakeholders
- Reduced environmental impact across operations, supply chains and customers
- Actively supporting and investing in our communities

Link to KPIs



Excellence through Innovation to differentiate and lead

Priorities

- Bold thinking to meet changing customer needs
- Digitalisation & AI to enhance value across customer offerings and business operations
- Data capture and integrity, countering cyber risk

Performance in 2024

- Lucy Developments adopted the direct procurement model for most projects to help bring improvements in quality control, delivery timelines and cost efficiency
- Lucy Electric's digital service offering furthered the transition of customers from Distribution Network Operators to Distribution System Operators, actively managing and optimising the flow of grid power in real time
- We achieved ISO27001 certification – the leading international standard for information security management – and Cyber Essentials Plus accreditation

Priorities for 2025

- Bold thinking to meet changing customer needs
- Digitalisation and AI to enhance value across customer offerings and business operations
- Data capture and integrity, countering cyber risk

Link to KPIs



KPI Key

- 1 Sales growth
- 2 PBT growth
- 3 Return on Net Assets
- 4 Total Recordable Incident Rate (TRIR)
- 5 Occupancy rate for rental properties
- 6 TCO₂e
- 7 Employee engagement score

➔ For more information on Key Performance Indicators (KPIs) see pages 30 and 31

KEY PERFORMANCE INDICATORS

The Group has selected a number of financial and operational/non-financial performance indicators, which are used to monitor the key drivers of our business and to align our strategy to performance.



Financial KPIs

KPI	Relevance	Performance in 2024	Strategic link
1 Sales growth 2020 8% 2021 29% 2022 19% 2023 15% 2024 14%	Aligns with our growth strategy.	Growth exceeded plan and was supported by product introductions and a relatively strong US dollar.	
2 PBT growth 2020 339% 2021 56% 2022 (16)% 2023 69% 2024 43%	Profits generated by the business are a key indicator of our performance and key to our long-term financial health.	Increased sales volumes, improved product mix and a positive investment property revaluation fuelled further strong PBT growth.	
3 Return on net assets 2020 13% 2021 18% 2022 12% 2023 18% 2024 22%	We strive to produce positive returns across all businesses and use this measure to monitor how efficiently we are using our capital. Each business sector has differing asset profiles and returns are measured against an appropriate target for that sector.	Returns were strong again in the year, with continued robust performances throughout the Group, especially in Lucy Electric. A positive revaluation of the Group's investment property portfolio provided further benefit following two years of devaluation.	

Operational/non-financial KPIs

KPI	Relevance	Performance in 2024	Strategic link
4 Total Recordable Incident Rate (TRIR) 2020 3.51 2021 4.28 2022 4.43 2023 6.57 2024 5.15	The health and safety of our employees is of paramount importance and we have a proactive approach to monitoring and improving this across the Group.	Despite an increase in production across our business sectors, we achieved a 22% decrease in recordable incidents compared to the previous year. Our frequency rate remains the same at 0.22 and is a focus area for further improvement.	
5 Occupancy rate for rental properties 2020 99% 2021 98% 2022 99% 2023 99% 2024 99%	The Group has a significant investment property portfolio and occupancy is a useful indicator for income and customer satisfaction.	Occupancy levels remained stable at the high level of 99%, even though rents increased by an average of 7.9%. The tenant Net Promoter Score of 89/100 supports this achievement.	
6 tCO₂e 2020 17.1k 2021 18.1k 2022 18.4k 2023 18.3k 2024 19.4k	We are committed to reducing our impact on the environment, as highlighted in the ESG section on pages 56 to 59. Lucy Electric purchases sulphur hexafluoride (SF ₆), a greenhouse gas, for use in some of its products. As this is not consumed by the Company only loss during normal manufacturing process is included in this figure.	Absolute carbon emissions rose to 19,430 tCO ₂ e, due primarily to the extension of reporting to all Group businesses and increased production levels. Carbon intensity (tCO ₂ e/£m) decreased again, recording a 25.1% reduction since the baseline of 2021 and decrease of 6% since 2023.	
7 Employee engagement score 2020 72% 2021 73% 2022 76% 2023 77% 2024 78%	Genuine engagement across the workforce is vital to enhancing productivity, encouraging innovation, retaining top talent, and achieving our business goals.	Participation in our latest employee engagement survey increased from 84% in 2023 to 87% in 2024, while overall engagement levels rose from 77% to 78%. Our goal is to reach and retain a score of 80%, which is in the top 10% of our peer group.	

“ In 2024, we made substantial investments in multiple regions, with each project supporting our long-term growth agenda. ”

Through investment in our production facilities and business processes, we are building a firm foundation for improved operational performance. This year, in particular, we made substantial capital investments in expanding factory capacity, advancing technology, increasing automation and improving processes, data security and sustainability.

Strategy

The Group has global manufacturing facilities and a number of manufacturing units, strategically located in key regions, from where we serve local markets. Our intention is to keep investing in these manufacturing centres, advancing production technology and increasing output. Given the trend towards localisation, this approach serves us well, while also enabling us to be flexible in balancing the utilisation of capacity across our operations globally.

Lucy Electric opened a new medium-voltage switchgear factory in Dhahran, Saudi Arabia (picture below and above), replacing two existing facilities to bring production under one roof. Equipped with smart warehouse technology, an overall equipment effectiveness (OEE) dashboard and digital twins to monitor machinery efficiency, the new facility will boost local manufacturing capabilities, create job opportunities for Saudi nationals, and improve the skills of our local workforce. In addition, we completed Lucy Electric factory expansions in Dubai, UAE, and Vadodara, India, with the latter including a new ISO 8-compliant cleanroom for RTU modules.



In Lucy Controls, Lucy Zodion’s factory expansion in Sowerby Bridge, UK, is now almost complete and will be operational from February 2025. This 11,000 sq ft extension will help meet the growing demands of the EV and streetlighting markets. At Flashnet, we expanded the factory and warehouse in Brasov, Romania, and introduced automation upgrades, resulting in a doubling of production capacity.

Re-engineering business processes using Microsoft D365

Microsoft D365 is central to our operations strategy, and underpins our ongoing focus on digital transformation, customer service and data-driven decision making. Quarterly upgrades continue to provide added functionality. These include the Copilot artificial intelligence tool, which we have introduced across our businesses, and which is proving particularly valuable in expanding the capability of our marketing and sales activities. We broadened our use of the Vendor Collaboration module to streamline procurement processes, including e-bidding. This tool has also improved digital workflows to support vendor interactions and governance.



We began our Microsoft D365 Accounts Payable automation project in 2024, with roll-out planned to start in 2025. The benefits will be in saving time, improving efficiency, reducing errors and enhancing financial management. In manufacturing operations, we piloted Production Floor Execution to digitise all operational data, providing real-time visibility and control over the shop floor. Roll-out of this is a multi-year project beginning in 2025.

In Lucy Electric, we have introduced the Asset Management module across several factories, giving us a single application for reporting faults and planning maintenance. We will also be rolling out simulation software within the engineering team during 2025.

In Flashnet, we have begun the roll-out of Microsoft D365. Bringing all three Lucy Controls businesses onto the same software platform will benefit Lucy Controls’ management as well as the individual businesses.

A project to replace Lucy Real Estate’s business systems began in 2024, with the aim of introducing systems that cover all data and processes and provide insights to inform better decision making. In Lucy Developments, the launch of Microsoft D365 Finance and Supply Chain Management is scheduled for the second quarter of 2025. Once we have completed this successfully, we will implement the module at Lucy Properties.

Data security

Cyber attacks on businesses have been increasing, in both frequency and sophistication. By implementing effective cyber-security practices and procedures, we can harness the full potential of data while maintaining responsible data-management standards and reducing the risk of data breaches, data loss and unauthorised data usage.

To achieve this, we have established two governance bodies. The Executive-led Information Security Steering Committee (ISSC) provides overarching strategy, governance and leadership, while the Information Security Operations Group (ISOG) focuses on the day-to-day operational management of our security, including our global IT security programme. Supporting this work, we have achieved ISO27001 certification, the leading international standard for information security management. We have also achieved Cyber Essentials Plus accreditation, a government-backed scheme – with independent verification – which helps organisations protect themselves against the most common cyber threats.

Sustainability

In 2024, we made significant progress in reducing the environmental impact of our operations and fostering a culture of sustainability. We extended sustainability data capture to include

embedded carbon, and we conducted an employee survey, the results of which will guide strategic initiatives for improvement.

Solar power is key to our sustainability strategy, and we have fitted solar panels at our operations in Thame and Ponteland in the UK, and in Nasik and Vadodara in India. The new factory extension at Lucy Zodion in Sowerby Bridge includes the installation of 108 solar PV array panels, generating 44,000 kWh annually. Combined with existing arrays, this brings the total to 442 panels on site, with an annual generation of 131,000 kWh. These initiatives will allow the factory to operate off-grid for much of the year, significantly reducing its reliance on external power sources.

People

The shortage of skilled workers, especially in engineering and technical design, continues to be a challenge. We are therefore investing heavily in training our employees. In particular, we have always placed great emphasis on apprentices and have now started a graduate programme in the UK and in India, aiming to make manufacturing and engineering roles more appealing to a diverse workforce.

Summary and outlook

The commitment to data capture and world-class information systems is a key strategy the Group has been following for several years, and this continued in 2024. We are increasingly seeing the benefit of earlier years’ work, which provides effective tools for our people to run and manage business activities today. This approach also applies to production technology and automation. Our programme of continued investment is ensuring that our businesses can operate more quickly, smartly and sustainably, remaining competitive in rapidly changing markets. But there is still much to do. Although we have seen several important achievements in 2024, we are determined to continue making significant year-on-year progress.



John Griffiths
 CEO Lucy Electric

“ 2024 not only marked a year of robust sales growth, but also significant investment in product development, operational improvements and expansion in manufacturing capacity. ”

Financial performance for Lucy Electric has been strong across most regions, with the exception of Southeast Asia, which has yet to rebound since the pandemic.

Market review

Demand for secondary power distribution is driven largely by the macro trends of electrification, energy decentralisation, and the need for energy independence. The integration of multiple power sources means that grids must handle higher loads, which calls for capacity expansion, network resilience, and advanced monitoring and control. While many developing economies are focused on expansion, with limited funding, in wealthier countries we are starting to see investment in modernisation to upgrade network reliability and efficiency.

In 2024, the UK saw strong activity in the Independent Distribution Network Operators (IDNOs) market, largely serving housing developments, industrial estates and renewable energy projects. India made significant strides in enhancing its electric infrastructure, both in terms of renewable energy expansion and grid modernisation. The Middle East also experienced significant infrastructure growth, with large-scale projects across various sectors, including transportation and urban development. Southeast Asia continued to suffer from low government investment in infrastructure, with reduced foreign investment and a post-Covid drop in tourism hampering economic recovery.

Product development and innovation

Our main switchgear engineering focus continues to be on the Sabre and Aegis EcoTec range of environmentally-friendly ring main unit (RMU) solutions, with products up to 17.5KV now launched (and installed) and with 24kV solutions set to be launched mid-2025. The EcoTec range, which uses synthetic air in lieu of SF6 gas, was launched at the successful UK Technology Day we staged at Silverstone in March. Also, a number of value engineering projects have resulted in products originally developed for a specific application in one country being adapted to meet local requirements in other geographies.

Our new AcuTec LV switchboard has started to gain traction, with several contracts secured with distribution network operators. The product facilitates active LV network monitoring in real time, including the ability to adapt to rapidly changing demand patterns and predict grid load more precisely.

The development of our digital solutions capability is very encouraging. Our embedded remote terminal units (RTUs) within the RMU have been particularly well received. The acquired SYNAPS AI fault detection on underground cables is generating interest and undergoing trials on several DNO circuits, not only helping with predictive maintenance but also reducing costs and downtime, while providing resilience against ageing infrastructure. SYNAPS is being integrated with the next generation of Gridkey LV monitoring, for launch as a single network management platform in 2025.

Alongside our standard products, custom solutions continued to be popular. This has always been a key strength of Lucy Electric, listening to customer requirements and delivering application-specific solutions to exacting specifications.

Manufacturing and supply chain

Investment in additional manufacturing capacity and new technology has ensured our manufacturing units have coped with significant growth in 2024 while maintaining product and service quality levels, in many cases reducing lead times and improving availability.

In September, we inaugurated a modern new manufacturing unit in Saudi Arabia, replacing two existing facilities and bringing production under one roof. A major expansion of our sub-assembly manufacturing facility in India was completed in November and we completed an extension to one of our Dubai-based global manufacturing units in December.

Supply-chain challenges caused by geopolitical unrest in certain regions of the world have continued. Contingency planning has helped us overcome most of them, the downside being added cost and longer lead times.

Rollout of the Microsoft D365 suite continued, with applications such as Copilot using advanced generative AI to provide contextual recommendations and insights that support operational improvements.

Sustainability

Sustainability is of great importance to Lucy Electric, not only in the products we supply that connect renewables to the grid, but also in the way we run our operations.

We are committed to emissions reduction and are constantly making incremental improvements. One example is the solar installations that went live in the UK and India in 2024, soon to be added to by similar installations in the UAE and Saudi Arabia. Such initiatives have resulted in a 22.3% decrease in Lucy Electric's overall carbon intensity from our baseline figure in 2021, calculated using tCO₂e and third party sales.

This year, we began working with BEAMA (the trade association for energy infrastructure and systems) on a standardised measurement for product-embodied carbon, and on the future UK business regulations for industrial decarbonisation. We will also continue to form partnerships to provide an end-of-life service for our products. In addition, we are investing in used SF6 gas purification equipment.

Corporate Social Responsibility is integral to the way we run our businesses and we were delighted to win the 'Social Value' category at the inaugural Scottish and Southern Electricity Networks (SSEN) Supplier Sustainability Awards.

People

Our success is largely down to our talented workforce and it is particularly gratifying to have won Utility Week's 2024 'Utilities Partner of the Year' award, demonstrating the great teamwork, dedication, and collective effort across our entire business.

With so much change in our industry, we need to ensure we recruit and retain people with the right skills and keep training them. Certain skills are in short supply, so we have adopted a 'grow your own' approach that spans apprentices and graduates who join our early career schemes through to more experienced talent that we nurture in our Future Leaders programme.

We also work hard to create an appealing work environment – this includes promoting equal opportunities in what has been a male-dominated industry, and encouraging employees to get involved in initiatives among our local communities.

Outlook

We are in unprecedented times for our industry. Urbanisation and the rise in renewable energy mean that electrical utilities around the world are having to reinforce – and in some cases replace – ageing infrastructure to cope with increasing demand for clean, reliable and sustainable energy. In the developed world, digitalisation is also a key focus, supporting decentralised energy generation and distributed resources.

Lucy Electric is well positioned in several geographic territories to help meet these challenges and has plans for further regional diversification. We continue to invest to provide the technology, industry knowledge and engineering capabilities needed to support our customers and ensure a positive outlook for future generations.

John Griffiths
 CEO Lucy Electric

20 March 2025



CASE STUDY

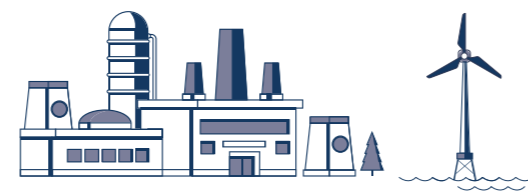
From DNO to DSO

The adoption of cleaner energy sources and the drive to net zero have led to more distributed power generation, making usage increasingly unpredictable.

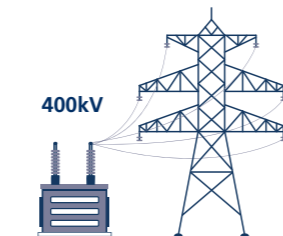
This means that understanding loads on networks and demand for electricity requires new technologies that can monitor the grid and report back to the Distribution Network Operator (DNO). Two of our DNO customers, SSEN and UK Power Networks, are already using Lucy Electric's GridKey low-voltage monitoring and SYNAPS fault detection technologies to enable smarter and more resilient networks.

The two technologies enable customers to adapt to the demands of an evolving energy network, providing visibility through data and fixing faults before they cause any interruptions. As a result, our digital solutions help minimise customer minutes lost and the potential for financial penalties.

The capabilities enabled by Lucy Electric's technology – including load profiling, advanced fault detection and monitoring of power quality – support our customers with the transition from DNO to Distribution System Operator (DSO), where networks will take an active and engaging role with smaller generation sources and consumers.



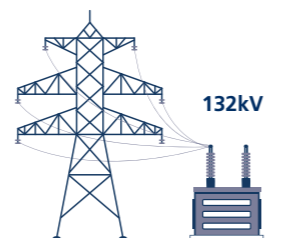
Power generation, including offshore wind



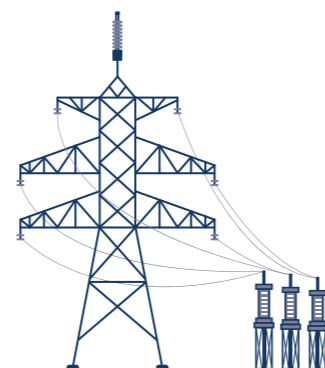
400kV
Step-up transformer



Primary transmission



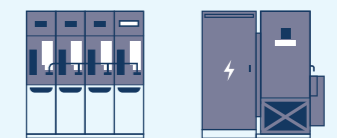
132kV
Step-down transformer



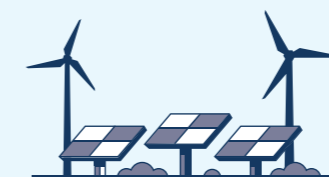
Transmission



End-use applications: industrial, commercial, civic and residential

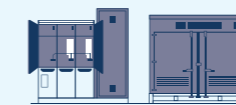


Secondary distribution: medium to low voltage stand-alone Ring Main Units (RMU), package substations, cabinets and cut outs



Distributed generation

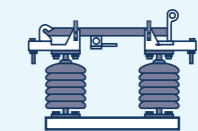
- Renewables: onshore wind and solar
- Battery storage



Connection solutions

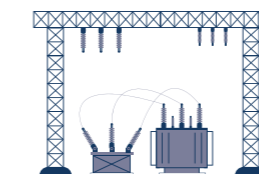


GridKey monitoring system with data analytics, SYNAPS AI fault detection, and Remote Terminal Unit (RTU) for connecting to utility control room



Secondary distribution: overhead products

Primary distribution
132kV to distribution voltages



Distribution

Denotes Lucy Electric's role in the electric power supply chain.



Steve Currie
 CEO Lucy Controls

“ Lucy Controls had an encouraging year and we remain optimistic about our markets’ future growth prospects. ”

In 2024, Lucy Controls grew revenue by 25%, with a particularly strong performance from Flashnet. The three businesses serve growth markets for electrification and energy efficiency, as well as the mature street lighting and the broader electrical markets.

Flashnet

2024 saw very strong growth in Flashnet’s smart lighting offering, with successful international expansion. The year was notable for a substantial increase in product sales, with a



commendable performance in operations ensuring a record volume of high-quality product shipped to customers across the globe.

Building on our strong footprint in Europe, for example, Flashnet is a key supplier on the contract to modernise 400,000 streetlights across Belgium’s highways. After penetrating the US market with an initial contract in Washington DC, Flashnet has secured major new project wins and gained real traction in the US market.

Flashnet’s interoperable infrastructure has garnered interest from hundreds of cities looking to build smarter, more connected urban environments. This year, our market standing was

reinforced by being recognised as the world’s third largest player in the smart street lighting market, with our 2023 deployments representing 6% of the global market, according to analysis from market intelligence firm Northeast Group.

Lucy Zodion

Despite the limitations of local government budgets in the UK, performance in the UK street lighting market was above last year, with solid hardware sales. To support this, we have been investing in photocell technology and, in early 2025, we will be launching an important new product that offers improved energy efficiency with an extended lifespan.

On the electric vehicle (EV) charging side of the business, we launched a new fully certified low-voltage EV feeder pillar for higher-power-rated charging. This will help us cement our solid presence and put us in a strong position to serve the growing UK market, which continues on an upwards curve. We have expanded the sales support team and operational capacity to increase market penetration and have attended several trade shows, including the London EV show, the UK’s largest electric vehicle exhibition.

Lawson Fuses

Financial performance significantly improved compared with 2023. We had a strong performance in the domestic market, whereas international sales were behind target. Additional sales resources in key international regions are already helping us understand market and customer requirements and are expected to bring growth in 2025.

2024 saw increased focus on the product development pipeline. We introduced additional products in 2024 and further product introductions are planned for 2025.

Sustainability

Our products are designed to help our customers achieve a more sustainable future by saving energy and, thereby, reducing carbon emissions. Our focus continues to be on the skills and the organisation needed to develop technology to support the key global trends of electrification and energy efficiency.

In our own operations, Lucy Controls made further strides in reducing our carbon intensity, including the expansion of solar panels at our Sowerby Bridge site and a new solar power installation at our Ponteland site. Such operational improvements have resulted in a 64% decrease in emissions intensity from 95 tCO₂e/£m in the base year of 2021 to 34 tCO₂e/£m in 2024. We also achieved a notable reduction in energy intensity, with kWh consumed per million pounds of turnover decreasing by 19% since 2023.

Operational activities

At Flashnet, we expanded manufacturing facilities and the warehouse, investing in automation across each product category to more than double production capacity. We have begun the rollout of Microsoft D365 in Flashnet; scheduled to go live this year, all three Lucy Controls businesses will then be on the same software platform, bringing benefits for the individual businesses as much as for Lucy Controls’ management.

At Lucy Zodion, we are completing the £2.2m factory expansion at Sowerby Bridge which, from Q2 2025, will add 11,000 sq ft of extra manufacturing capacity to support the growing UK EV market.

At Lawson Fuses, further improvements were made in our manufacturing plants, both in the UK and in India. As well as investing in automation, we have an unrelenting focus on quality control, as most of our OEM customers rely on certified components to build products that meet stringent regulatory requirements.

Our people

With my new appointment as CEO of Lucy Controls, plans are being put in place to upscale all three businesses. For this to be successful, we must continue to attract, retain and build the right talent, particularly across electrical engineering and sales disciplines. We are therefore conducting extensive workforce planning exercises to help deliver strategic growth plans, including organisational structures, career pathways, training, upskilling and recruitment.

Outlook

In Flashnet, our geographic spread and footprint is growing and will continue to expand in 2025 as we target high-demand markets, although expected tariff increases on imports may impact sales into the USA. The focus will be on innovation that integrates the latest IoT communications and energy technologies into reliable and cost-effective hardware and software solutions.

At Lucy Zodion – despite difficult UK market conditions – we continue to consolidate the strength of our core street lighting business, working alongside Flashnet to access the UK smart lighting market.

In the EV charging infrastructure market, we have a strong capability for supply in the UK and new hirings for an EV-focused sales force. Although the market for rapid and super charging did make further progress in 2024, 2025 is expected to be stronger. With the new factory extension in place, we will pursue long-term growth, working closely with Lucy Electric.

For Lawson Fuses, we will continue to develop the business model, prioritising new product development, operational efficiency and value engineering.

Each business within Lucy Controls addresses both mature markets and markets with strong growth potential. With further product development, we believe that we can build on this year’s progress, while being mindful of fierce competition and a challenging trading environment.

Steve Currie
 CEO, Lucy Controls

20 March 2025



CASE STUDY

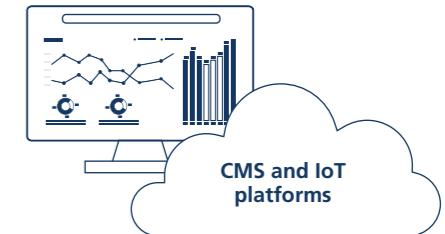
Time fuse links help keep the lights on

Lawson fuses have designed, developed and qualified a range of time fuse links. These provide fault protection for overcurrent and earth faults in distribution transformers within switchgear equipment such as Ring Main Units (RMUs).

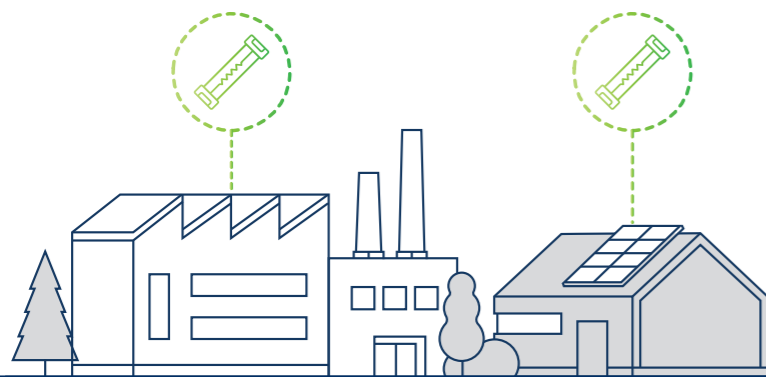
Lucy Electric RMUs currently use Lawson's time fuse links for such protection, preventing damage to customers' equipment and maintaining public safety.



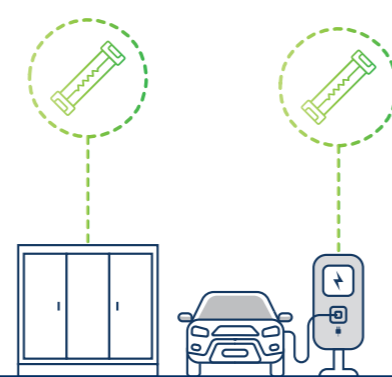
Remote energy management



HRC fuse links and holders

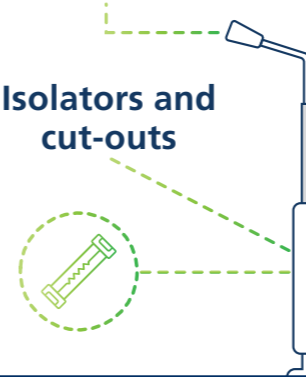


EV charging pillars



Photocells and smart lighting controls

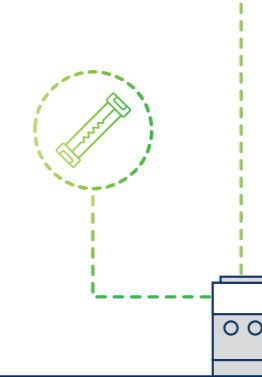
Isolators and cut-outs



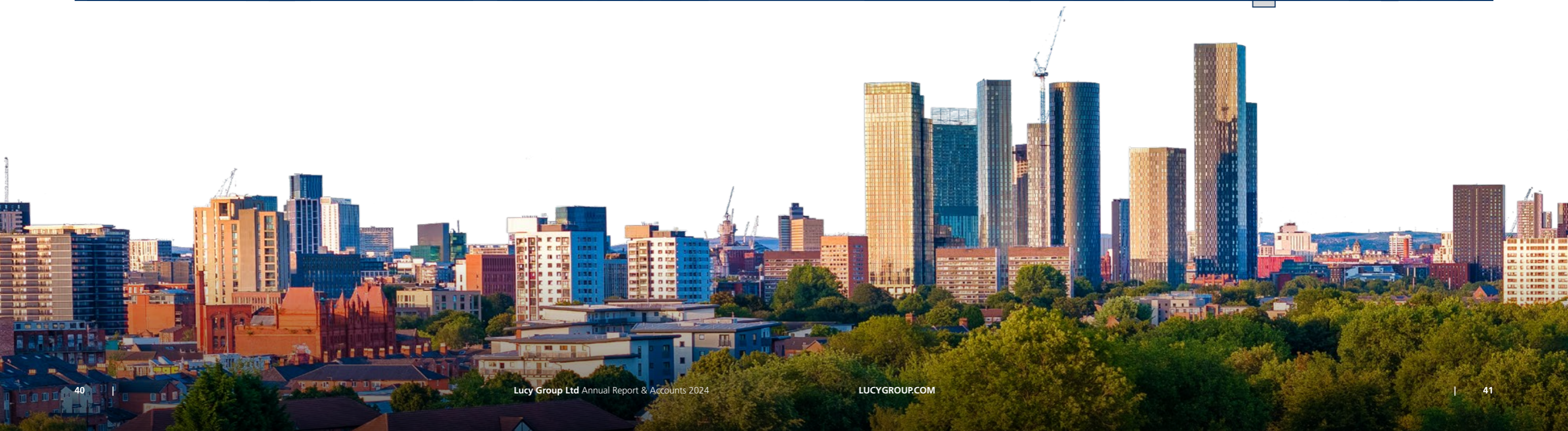
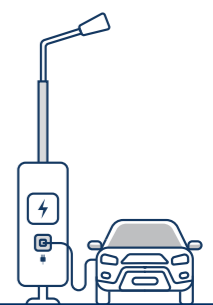
Pillar shells and pre-wired pillars



In-ground distribution



Lamp post EV charge infrastructure



Ian Ashcroft
 CEO Lucy Real Estate



“ In changing times, we are maintaining a strong rental business and targeting larger developments to complement our typical premium sites. ”

For Lucy Properties, the year was one of strong rental growth, healthy occupancy levels and high tenant demand. Conversely, Lucy Developments faced the challenges of a slow selling market, site-related difficulties and a shortage of land opportunities.

Market overview

Lucy Properties continued to benefit from favourable conditions in the rental market, with demand outstripping supply. As the year progressed, the supply-demand imbalance became further entrenched. This was partly due to changes announced in recent UK government budgets, which have caused some landlords to exit the rental market. Against this backdrop, both occupancy and enquiry levels remained extremely high.

Conversely, Lucy Developments experienced a tough trading year, with

sluggish sale rates in a weak selling market. Sales picked up a little in the second and third quarters but tailed off when hoped-for interest rate cuts failed to materialise, while the autumn budget appeared to cause uncertainty among some home buyers. Land values have remained high due to a lack of supply, with the scarcity of viable planning consents limiting our ability to grow the business.

Operations

Another excellent year for Lucy Properties included an average rental increase of 7.9%, in line with market prices, while occupancy was

maintained at 99%. With tenants rarely moving out, the opportunities to refurbish are limited but, this year, several more properties briefly became available. This enabled us to make upgrades in our portfolio, thereby maintaining quality standards. Much of the work has involved energy-performance upgrades, which helps safeguard the value of our properties and make progress towards our target EPC rating, the central tenet of our sustainability pledge. So far, of the properties needing attention, we have brought 76 up to the right standard, with the 84 remaining projected to be completed by 2028.

In April, the whole Lucy Real Estate business moved to a new purpose-designed Oxford office known as Cranham House, which has energised the team and provided headroom for growth. Cranham House, annexed to St. Paul's House, is part of a mixed development by Lucy Real Estate that emerged from the former Jericho Health Centre. We are very proud that the building won the Oxford Preservation Trust New Buildings Award for re-imagining and adapting an existing structure, while minimising the use of new materials and capturing embodied carbon.

We were also pleased that Lucy Properties achieved a Net Promoter Score (NPS) of 89/100, as excellent service is critical to our business. Big contributors to this score are the quality of our furnishings and our responsiveness on maintenance issues. Another factor is the way we work hard to bring our tenants together. This year, we organised a summer party, circular walks, free yoga classes and Christmas carols, all helping to create a strong sense of community.

At Lucy Developments, slower sales than we had budgeted, combined with higher interest costs and increased operational costs, resulted in losses being sustained. Despite a challenging year, much has been done to help the business achieve profitability in future.

We are currently developing two larger sites, one in Marston Paddock that is 100% affordable housing (with all 40 units pre-sold to Oxford City Council) and the other in Bodicote, North Oxfordshire, that is 35% affordable housing (16 out of 46 units). These larger sites will complement our typical premium developments, increase our revenue stream, and provide economies of scale.

The majority of our developments now benefit from direct procurement, a new model for Lucy Developments. Once best practice has been established, it should bring further improvements in cost efficiency, quality control and project timelines. We are also mitigating weather delays by establishing effective drainage and hard surfaces from the outset of new projects.

Customer service has remained a top priority. We currently have a 4.78/5 customer rating and a 78/100 Net Promoter Score (NPS). While the latter is lower than the Lucy Properties score, these statistics serve as an encouraging springboard for growth and compare favourably with the industry standard: the Home Builders Federation's 2024 National New Homes Customer Satisfaction Survey revealed an average NPS of 44/100.

With confidence in our long-term prospects, we continued investing in the future of the Lucy Real Estate business unit. Lucy Developments is implementing a new Microsoft D365 management information system, which will go live in the first half of next year, followed by Lucy Properties. In Lucy Developments, we are enhancing our capabilities with a view to increasing building capacity from 20 units per year to 70 units from next year.

Sustainability

At Lucy Properties, we are making steady progress towards our goal of achieving a minimum EPC rating of C across our portfolio by 2028. All Lucy



Developments' new builds are EPC A or B rated and we are working towards the Future Homes Standard (FHS), with its tighter building regulations. Due to come into force in 2025, the FHS regulation will promote carbon reduction and energy efficiency in the building and running of homes.

As well as delivering on the government mandated 10% biodiversity net gain on new builds, we are working with Wild Oxfordshire on various initiatives across our rental properties. These include Polly's Wildlife Gardens (named in memory of our chairman's late daughter), where we set aside areas of private and communal gardens as habitats for wildlife.

Our support for local communities this year included a focus on the Jericho area of Oxford, where there is an urgent need for youth activities. Here, we sponsored the Jericho Canal Festival, the Jericho Street Fair and Run Jericho, as well as supporting several other local initiatives.

People

We are very fortunate to have experienced, dependable teams across Lucy Real Estate. The dedication of our Lucy Properties maintenance team is epitomised by Dave Wild, Senior Maintenance Technician, who completed 30 years' service this year. To support the increased building programme planned for next year, we strengthened our Lucy Developments resources with the appointment of

a new leader, Greg Hilton, as well as bolstering our surveying, technical and customer service expertise.

Outlook

Looking ahead, we can be cautiously optimistic for both real estate businesses.

For Lucy Properties, we are consistently upgrading our portfolio to make our properties attractive to tenants. Although the prospects are bright, we expect lower rent increases in 2025, as inflation and wage growth slow down. The Renters (Reform) Bill has passed its second reading and we need to keep a close eye on the final Bill when it becomes law in spring 2025. Although it is intended to protect tenants from unethical landlords, it is conceivable that it may impose some constraints on rent increases, even if they reflect genuine market rates.

For Lucy Developments, house-building targets are back on the government agenda. Changes to planning policy will take time, with inevitable delays while sites go through the planning system, but the signs are positive for the medium and long term. At the same time, persistent inflationary pressure means a more gradual reduction in interest rates than previously expected, which may dampen demand. We will also have to deal with build costs rising to reflect more stringent compliance requirements, especially as a result of the FHS. In future, our search for prime development land will extend beyond Oxfordshire into adjacent counties.

Above all, we have a very talented team who will make the most of the prevailing market landscape. I thank them for their supreme effort and commitment throughout the year.

Ian Ashcroft
 CEO Lucy Real Estate

20 March 2025

CASE STUDY

A foundation for balanced living

Located in Henton, Oxfordshire, 'Manor Farm' is a development of eight bespoke homes nestled within a picturesque landscape in the foothills of the Chiltern Hills.

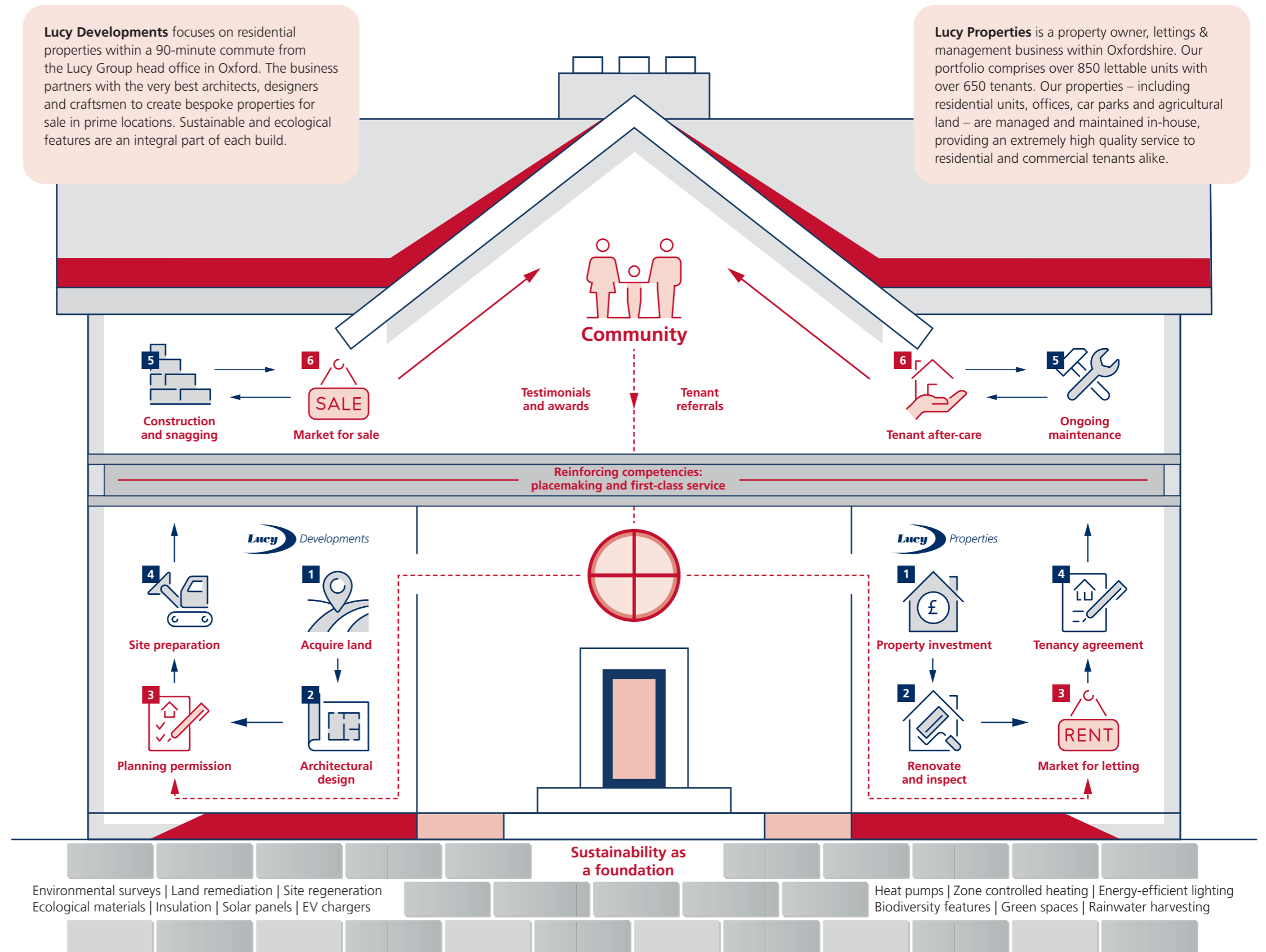
The architecture has been inspired by the abundant farming heritage of the site and surrounding area. Sympathetically combining heritage details with contemporary finishes, the vision for Manor Farm was to create homes that perfectly accommodate modern living while embodying the rural landscape in which they sit. Sustainability features include low-energy LED lighting throughout, air source heat pumps, electric vehicle chargepoints, and built-in bird and bat nesting boxes.

Manor Farm offers a lifestyle where families can thrive, health and wellness are emphasised, and the essence of village life is cherished.



Lucy Developments focuses on residential properties within a 90-minute commute from the Lucy Group head office in Oxford. The business partners with the very best architects, designers and craftsmen to create bespoke properties for sale in prime locations. Sustainable and ecological features are an integral part of each build.

Lucy Properties is a property owner, lettings & management business within Oxfordshire. Our portfolio comprises over 850 lettable units with over 650 tenants. Our properties – including residential units, offices, car parks and agricultural land – are managed and maintained in-house, providing an extremely high quality service to residential and commercial tenants alike.



Gary Ashton
Group Finance Director



“ 2024 marked another year of strong financial results combined with strategic investment in long-term growth. ”

The Group reported record sales and profits for the year, delivering a 21.6% return to shareholders.

Order intake and revenue

Order intake for the year was £402.6m (2023: £340.4m), up 18.3% from last year, although the closing order book decreased by £6.7m or 3.5%. Lower order intake was responsible for 14.4% lower sales in the second half of the year.

Group sales were £409.3m (2023: £359.1m) for the year, 14.0% higher than 2023 or 16.6% on an organic constant currency basis (OCC). The Group's businesses each recorded increased sales, with Lucy Electric and Lucy Controls benefitting from their position in growth markets, whilst Lucy Real Estate's increased pipeline of sites provided growth despite difficult market conditions.

Real estate rental income increased during the year by 8.7% to £9.9m and occupancy levels were maintained at 99% (2023: 99%). Residential rents increased by 8.8% (2023: 7.5%) in line with market prices and there was one commercial rent increase. There were no additions to the investment property portfolio during the year. The annual passing rent now stands at £10.4m (2023: £9.7m), split 91:9 between residential and commercial tenancies.

Gross margin

Gross margin increased by 2.7 percentage points from 32.2% in 2023 to 34.9% in 2024. Higher sales volumes and an improved product mix comprising more intelligent infrastructure products is driving this increased revenue. Lower material input costs and increased utilisation of

the Group's manufacturing facilities are responsible for lower product costs.

Material as the largest element of cost of sales continues to be a management focus and is closely monitored. Lower commodity prices and the procurement team's supply chain improvements have positively contributed to lower input prices. Ongoing value engineering remains a key area of focus, reducing product cost and improving Group sustainability through lower raw material usage and reduced waste. In general, input lead times have improved in 2024, although semiconductor supply chain constraints continued throughout the year.

Overheads

Overhead costs increased by £6.4m (+10.8%) compared to 2023, largely driven by investment in people and strategic product development. Research and development expenditure increased by 33.2% (2023: 9.9%) to £13.0m and by 11.1% on an OCC basis. No development expenditure was recognised as an intangible asset this year (2023: nil). People costs increased by 11.9% and total overhead costs increased on an OCC basis by 13.3% after excluding currency movements.

Other operating items

The relocation of Lucy Electric's business in Saudi Arabia at a cost of £2.2m (2023: £0.5m) decreased net other operating income to £3.6m (2023: £5.7m). Underlying net operating income from rental properties remained unchanged at £5.4m, as increased income was offset by higher costs for refurbishments and energy efficiency upgrades.

Operating profit

Group operating profit before valuation gains was £80.8m (2023: £62.3m), an increase of 29.7% compared with last year. There was a £2.4m gain from the annual valuation of the Group's investment property assets compared with a loss of £2.5m last year. Higher

mortgage rates continue to reduce demand in the Oxford property market, with many properties being sold below their asking price. This year, increased rents have more than offset the higher returns demanded by landlords for remaining in an increasingly regulated rental market. This revaluation of investment property has resulted in a Group operating profit after valuation adjustments of £83.2m (2023: £59.9m).

Profit before tax

PBT for the year was £85.2m (2023: £59.5m) after crediting net finance income of £2.0m, compared with net finance costs of £0.4m last year. Finance income was £3.7m (2023: £2.3m) with interest receivable benefiting from higher cash deposits despite a modest reduction in bank interest rates. Finance costs reduced to £1.7m (2023: £2.7m) from a combination of lower borrowings and lower interest rates, and there was a decrease in foreign exchange losses.

Taxation

The Group's tax expense for 2024 is £13.3m (2023: £19.0m), resulting in a headline effective tax rate of 16% (2023: 32%). The current year's rate includes a reduction in the current tax charge of £1.3m, in respect of adjustments relating to prior periods. Last year's rate included an adjustment of £10.8m, in respect of additional assessed tax on prior periods in the Kingdom of Saudi Arabia.

Removing the impact of the above non-recurring adjustments provides a more reliable measure: on this basis, the adjusted effective rate of tax is 17% (2023: 14%).

The Group expects its adjusted effective tax rate to remain marginally lower than the standard UK tax rate due to marginally lower tax rates in many of the countries where the Group makes taxable profits. The Group's tax strategy seeks to ensure that key tax risks are appropriately mitigated and that the Group's reputation as a responsible taxpayer is safeguarded.

Dividends

The Board recommends an increased final dividend of 179 pence per share which, taken together with the interim dividend of 122 pence per share, gives a full year core dividend of 301 pence per share (2023: 286 pence per share). This represents a 5.2% increase for the year.

A special dividend of 600 pence per share was paid in December, reflecting the Group's strong performance, compared with a special dividend of 300 pence per share last year.

Our dividend policy is to grow core dividends at least in line with the Retail Price Index (RPI) and to supplement core dividends with special dividends when the Board considers it appropriate after reviewing both profits and cash requirements.

Acquisitions

There were no acquisitions in the year. In 2024, the integration of the assets and IP of Fundamentals' Artificial Intelligence and Machine Learning (AI/ML) business has expanded Lucy Electric's intelligent low voltage remote monitoring and digital substation capabilities, supporting the Group's growth strategy.

The Group has a strategy of growing through a combination of organic expansion and acquisition. We continue to seek acquisitions that support the development of our business units.

Cash flow

The Group had a free cash inflow of £44.9m (2023: £21.8m) and £1.9m of foreign currency borrowings were repaid during the year.

Operating cash flow before changes in working capital, interest and taxes was an inflow of £88.2m (2023: £67.1m), largely driven by strong operating profits.

Management of working capital remains a key focus for achieving our cash generation objectives during this period of growth. In 2024, working capital increased by £18.3m (2023: £20.9m) to support both this year's sales and future projected sales. Inventory increased by £10.5m (2023: £19.7m) to support higher volumes and to mitigate ongoing supply chain disruptions, whilst an investment of £2.3m in Lucy Real Estate's inventory supported its strategic growth plan. Receivables decreased by £2.5m, or 3%, as sales slowed in the second half of the year, whilst overdue receivables reduced compared with 2023. Payables decreased by £8.8m and provisions decreased by £2.4m. There was a £0.8m inflow from changes in the value of derivative financial instruments.

Net interest received was an inflow of £1.9m (2023: £0.4m) and tax payments were £11.5m, compared with £10.4m in 2023.

Investing activities at £15.3m (2023: £14.3m) included capital expenditure of £15.6m (2023: £15.4m). Proceeds from disposals of property, plant and equipment contributed £0.3m (2023: £1.2m).

Capital commitments at the end of the year were £2.6m (2023: £6.1m).

Financial position

The Group's £43.0m Revolving Credit Facilities (RCF) with HSBC Bank PLC were unchanged during the year, whilst actual bank borrowings decreased by £1.9m to £12.0m at 31st December 2024. Also, the Flashnet S.A. minority shareholder loans of £0.3m were repaid on 7th October 2024.

The Group had net cash of £99.9m (2023: £58.8m) and net assets increased during the year by £69.8m to £394.0m.

The Group's financial metrics remain strong, with gearing of 3.0% (2023: 4.3%) and interest costs covered 82 times (2023: 59 times).

Return on net assets

The Group recorded a return on net assets of 21.6% (2023: 18.3%) during the year.

Post-employment benefits

The Group accounts for post-employment benefits in accordance with IAS 19 Employee Benefits.

The balance sheet reflects the net surplus of the W Lucy Defined Benefit Pension Scheme in the UK as at 31st December 2024, based on the market value of assets at that date and the valuation of liabilities using AA corporate bond yields adjusted to reflect the duration of the Scheme's liabilities. This Scheme was closed in 2002 to new entrants to reduce the risk of volatility of the Group's liabilities.

The last triennial valuation of the Scheme was performed as at 6th April 2023. This valuation revealed a Scheme surplus of £11.2m and a funding level of 121%, compared with a deficit of £4.4m in the previous valuation following a significant increase in bond yields. As part of the actuarial valuation, the Company agreed from 1 January 2024 to pay contributions of £0.2m for expenses plus 21.5% of pensionable salary in respect of the Scheme's active members, compared with 28.8% in the previous valuation.

The separate IAS 19 valuation performed as at 31st December 2024 showed a Scheme surplus of £18.2m (2023: £16.4m). This represents an increase in the funding level from 133% to 140% during the year. The increase in bond yields during the year has resulted in a higher discount rate than last year, which has decreased the value of the scheme's liabilities. This has been partially offset by increases

in the expectations for inflation, but overall these have led to an actuarial gain of £3.2m from changes in the financial assumptions. The interest on the Scheme's surplus at the previous review date has increased the surplus by £0.8m. Changes to the mortality projection assumption has altered the expected life expectancies for members of the scheme. The impact of this change has been to reduce the value of the Scheme's liabilities by £0.1m, which further increased the surplus.

The scheme's assets underperformed by £1.5m compared to the expected rate of interest over the year, which has served to decrease the surplus. The costs of further accrual of benefits by members and the Scheme's expenses have exceeded contributions paid by the Company during the year, reducing the surplus by £0.4m. The discretionary pension increases awarded by the Company to a defined group of members decreased the surplus by £0.2m. Allowing for actual pension increases and revaluation in deferment during the year results in an experience loss of £0.1m, further decreasing the surplus.

The related deferred tax liability of £4.5m resulted in a net pension asset of £13.6m (2023: £12.3m) at the end of the year. The amount of the surplus is sensitive to changes in the main financial assumptions, particularly the rate used to discount the liabilities (the discount rate). A change in the discount rate of 0.1% would increase/decrease the surplus by £0.5m (2023: £0.6m).

The value of non-UK defined post-employment benefits was £7.4m (2023: £6.5m) at the end of the year.

International Financial Reporting Standard

The consolidated financial statements of the Group have been prepared under UK adopted International Financial Reporting Standards (IFRS) to represent the international nature of the Group's business activities. The parent company has elected to prepare its financial statements in accordance with FRS 101.

Gary Ashton
Group Finance Director

20 March 2025



Improving risk management to enhance stability and growth within the business

Risk management philosophy

Risk and its management are fundamental to the success of our business. All employees are responsible for assessing and managing risk appropriately, within a control framework, as well as highlighting and responding to emerging risks within our businesses.

Continuous improvement in risk management practices

The Group continues to embed risk management processes across our businesses, to ensure there is a good understanding of potential positives and negatives of key factors that may affect both individual businesses and the Group as a whole. This helps to ensure suitable decision making, supported by the necessary controls and processes, to achieve our strategic objectives.

We review and measure our strategic risks, determining the likelihood and impact of key risks to the business, using a variety of measurements to ensure that a range of factors are considered as part of the assessment.

We concentrate on the residual risk and proportionate actions that could be taken to manage the identified risks.

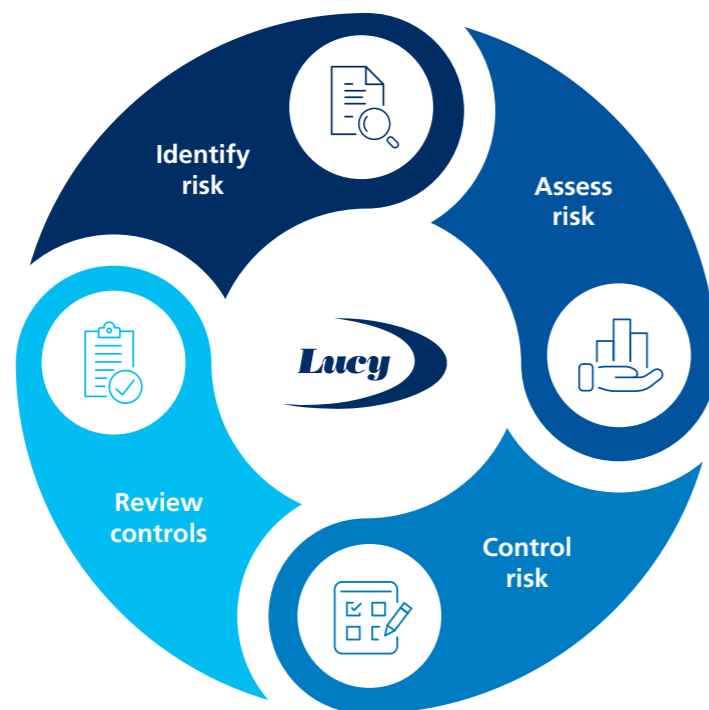
We have also recently revised and reissued our Group risk policy.

Embedding risk culture across the Group

The Group's Board owns the risk management processes and ensures that they are embedded and working effectively across the Group. The Board has a good understanding of the significant risks facing the Group and considers the implications of the Board's decisions.

The Executive Directors are responsible for overseeing the risk management of the Group. They meet quarterly to discuss the risk activities within the Group to ensure that the risk culture is firmly embedded across all businesses. They review the individual business entities and the core Group activities to ensure these teams are managing their risks effectively. The Executive Directors also ensure that they consider risk and implications within their own decision making.

The Audit Committee is responsible for ensuring that there is an effective risk management process in place, and for reporting to the Board on its adequacy.



Empowering our businesses to enhance their risk management frameworks

The management teams of individual entities are responsible for defining and embedding the risk culture into their own areas. They are responsible for ensuring that they understand the risks affecting their businesses, and that their employees can identify and deal with these risks appropriately. In addition, they are responsible for creating a culture of openness to allow varied and difficult discussion over the risks the businesses may face.

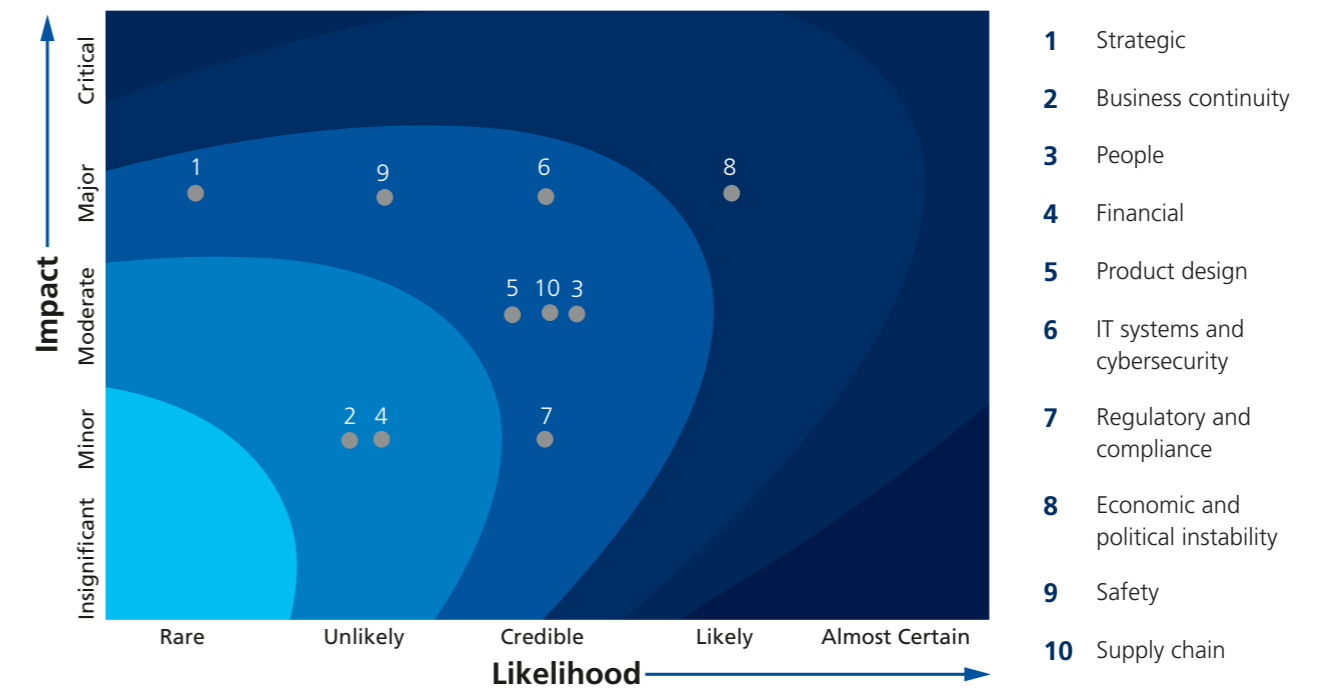
Assessment of risk

We consider a wide range of factors within risk management processes, from micro strategic points through to operational risks within each business. We assess each identified risk for likelihood and impact against a variety of measures, including:

- damage to the financial performance of the business;
- damage to reputation;
- production downtime;
- information security;
- employee morale; and
- management time.

Principal risks and uncertainties

Key business risks are currently identified as shown in the figure below. The results are aggregated into the ten principal risks affecting the Group, which are set out on pages 52 to 55. We will continue to seek to improve the process and produce information in a more intuitive manner.



Risk and impact	Mitigation/controls
1. Strategic	
The Group strategy does not deliver sustainable business growth and profits.	<p>The Board regularly reviews business strategy, annual budgets and longer-term financial plans to ensure the business has the necessary resources.</p> <p>The Board spends significant time formulating, reviewing and communicating our strategy to ensure that our approach delivers sustainable returns. The governance of the business is reviewed, with management teams continuously strengthened and developed.</p> <p>We also look for opportunities to acquire businesses and talent that will help deliver our strategy.</p>
2. Business continuity	
<p>Prolonged interruption caused by key suppliers, political unrest, pandemics, natural disasters and extreme weather events, terrorism, or conflict.</p> <p>The Group depends on the continued availability and integrity of its computer systems to ensure continuation of the business.</p>	<p>The Group has developed business continuity, disaster recovery and crisis plans, which it continues to appraise, test and refine.</p> <p>The Group has learnt from the global pandemic and this will help to inform our response should another arise, along with shaping business decisions.</p> <p>We have implemented strategies to give our core IT platforms the resilience required.</p> <p>Group management also works with local governments and agencies to protect our employees' wellbeing.</p>
3. People	
Ensuring that we retain and attract the required talent to continue to achieve our strategic goals, while embedding a performance culture.	<p>The business has robust policies and procedures in place for recruiting individuals. The retention of key employees is important for long-term stability and success. Training and mentoring is provided for employees to ensure they can fulfil their potential and support business success. Training is assessed and developed to align with employee development and business requirements.</p> <p>We have a well-defined and published set of values, as well as information on how this supports our wider company culture, to make Lucy Group an attractive place for people to work.</p> <p>Regular performance reviews are held to identify development needs and career opportunities aligned to business needs.</p> <p>We undertake workforce and succession planning to ensure that the right individuals are in the right roles.</p>

Risk and impact	Mitigation/controls
4. Financial	
<p>Failure of the business to deliver the cash flows forecasted; inherent currency and inflationary risks and management of those risks; requirements for further funding for the pension fund; customer and supplier credit risk; and losses arising from fraudulent or dishonest activity.</p> <p>Inflation remains an international risk. Peak inflation pressures have eased; however, the subsequent relaxation of current measures may lead to further bouts of inflation, or measures currently in place may continue to depress overall demand, leading to recessions in some markets.</p>	<p>Treasury strategy is defined in the annual accounts and we have implemented supporting policies and procedures.</p> <p>Management regularly reviews cash flow to ensure the business has access to adequate funds to continue with its operations.</p> <p>The Group has regular contact with its lenders to ensure adequate medium-term financing to support its business operations for the foreseeable future. Loan covenants are regularly monitored.</p> <p>The current trading patterns across the business give a natural hedge to most of our currency exposure; we continue to monitor this position and will implement appropriate hedging strategies as necessary.</p> <p>Within the budgeting process, increases in input prices due to inflation are modelled through to the sale prices offered to our customers.</p> <p>The Group reviews potential mitigating actions for its long-term pension risk and consults professional advisers as necessary.</p> <p>There is a whistleblowing policy in place to enable employees to highlight fraudulent or dishonest activity.</p>
5. Product design	
The success of the Group depends on providing high-quality products that meet our customers' needs. There are always inherent risks in the introduction of new technologies and entry into new markets.	Executive Directors and senior management continually review product development programmes to ensure that, as far as possible, they will successfully meet business objectives and customer requirements. There is ongoing investment in designing and building innovative and sustainable products, applications and services for the Group's markets.
6. IT systems and cyber security	
<p>A third party may seek to disrupt business either through external attacks to our systems/products or by seeking to steal IP or sensitive data from us. State sponsored actors may also seek to disrupt businesses, especially in the sectors we service.</p> <p>Significant prolonged outages of core systems may affect the efficiency of the business operations.</p>	<p>We use various system protections to reduce the threat from third parties, with ongoing assessment and analysis of risks and potential remediation to mitigate them.</p> <p>The Group IT team consists of high-quality, trained individuals tasked with ensuring systems' resilience and ongoing investment to prevent obsolescence within our key operating systems.</p> <p>All employees regularly receive information security training, which is frequently assessed and developed to ensure it remains relevant and appropriate.</p> <p>We continue to work with third parties to assess the security of our systems and products and, where necessary, act upon issues raised by these parties.</p> <p>Group has achieved Cyber Essential Plus accreditation and ISO 27001. Systems security policies and procedures are embedded within the business.</p>

Risk and impact	Mitigation/controls
7. Regulatory and compliance	
<p>Censure from government or regulators for non-compliance with laws and regulation. Failure of internal control process leads to financial losses.</p> <p>Failure to respond to significant changes in legislation or regulations leaves the Company exposed to censure, or obsolete products or services within our portfolio.</p> <p>Continued use of compliance and regulation by countries seeking to create entry barriers for non-domestic suppliers of goods and services, to protect domestic enterprises and in response to wider political disputes across the world. Countries choosing to trade only with neighbouring countries or those deemed politically friendly ('friendshoring').</p>	<p>The Group has implemented policies and procedures to address compliance risk. We assess all relevant regulatory developments and review our internal processes, policies and training programmes to ensure that we both mitigate risks and meet evolving compliance requirements.</p> <p>Management across the business makes the necessary changes to control either environments or product designs as necessary.</p> <p>Management continues to review and adapt the business model to meet requirements in relevant markets.</p> <p>Group management receives annual assurance on regulatory compliance from all subsidiary management boards.</p> <p>We work with internal and external stakeholders to ensure they abide by our code of conduct, and we complete due diligence over our key external stakeholders.</p>
8. Economic and political instability	
<p>Some governments around the world face domestic pressures to support localisation of goods and have implemented measures that may prevent access to their markets.</p> <p>Conflict continue across the world, which may impact world energy markets and trade routes. This, in turn, could lead to inflationary pressures within the markets for raw materials, which could affect pricing.</p> <p>These conflicts may also see more proxy wars in other regions or significant cyberattacks on key infrastructure, which could impact on customer resilience.</p> <p>With a significant number of elections undertaken around the globe in 2024, we may see some changes in policy direction as previous incumbents have been removed by the electorate.</p>	<p>Management continue to monitor political and financial events in key markets and to adjust strategy accordingly.</p> <p>Management constantly review the prevailing sanction regimes across the world, and ensure that the Company complies with all relevant sanctions.</p> <p>Management teams are vigilant over input costs and adjust sales pricing as required.</p> <p>Business continuity plans are implemented if any of our facilities become unavailable for a prolonged period.</p> <p>Management teams are working towards opening new markets to diversify risk, and regularly review our longer-term strategy to ensure that our products and services are not precluded from any key markets.</p> <p>Before travelling to high-risk countries, employees undertake risk assessments to manage, mitigate and, where possible, eliminate risks associated with political instability and/or terrorist activity.</p>

Risk and impact	Mitigation/controls
9. Safety	
<p>Some colleagues work within high-risk industries and travel extensively across the world.</p> <p>Our products are used in the distribution of electricity, which has its own inherent risks to both our employees and members of the public.</p>	<p>The Group has a health and safety policy, procedures and training in place across all sites. Health and safety experts are employed throughout the Group. Relevant employees are given personal protective equipment (PPE) and other equipment appropriate for their environments.</p> <p>We have engineers that work on third-party sites. They hold the requisite qualifications for their work in potentially dangerous environments, undertake full risk assessments before starting work, and follow the relevant health and safety guidelines.</p> <p>The Board regularly receives and reviews health and safety reports from all businesses, which includes results from audits, near misses and accidents. Near misses and adverse events are monitored to ensure that we continue to improve the safety environment for all stakeholders.</p> <p>We continue to ensure our products comply with relevant safety requirements and provide safe working environments for our employees, customers and the wider public. We assess our subcontractors to ensure that they meet relevant health and safety requirements.</p>
10. Supply chain	
<p>In the post-Covid world, the emphasis and customer expectation has shifted within supply chains to resilience and sustainability, along with the continuing focus on value. Global conflicts and political instability may disrupt supply chains.</p> <p>Both geopolitical and sustainability pressures may push businesses in certain jurisdictions to either onshore or 'friendshore' supply chains to provide security of delivery and to decarbonise products.</p>	<p>The Group seeks ways to develop and extend its supplier base to reduce any over-reliance on specific suppliers and to improve competitiveness.</p> <p>The Group works closely with all suppliers to understand potential issues ahead of time to allow us to continue to produce the goods our customers require.</p> <p>Management continue to monitor the political situation across the world and can invoke appropriate contingency plans when necessary.</p>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

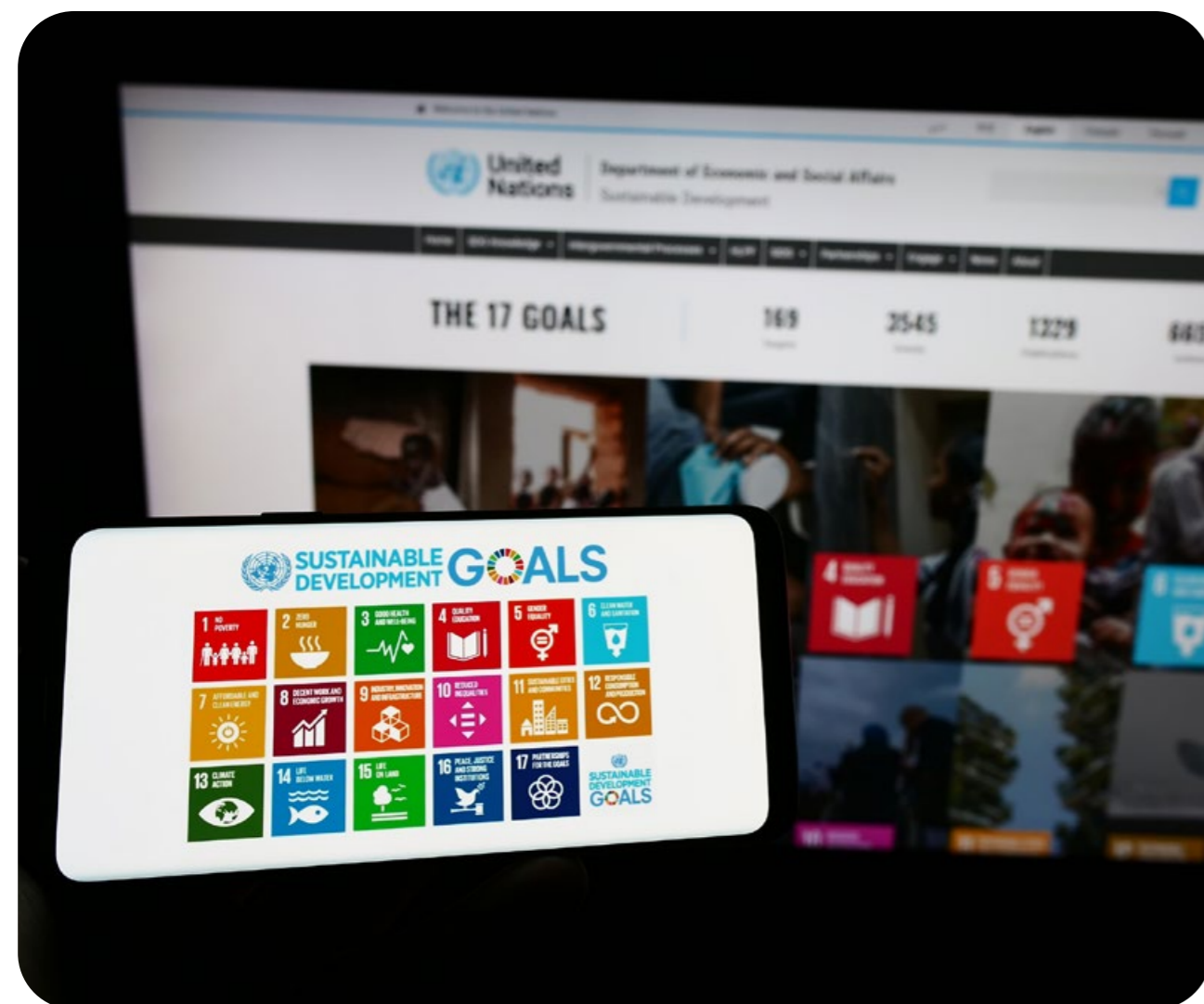
Our approach

At Lucy Group, we have a long tradition of being a responsible business. Today, sustainability is our cornerstone. It's integral to our purpose.

It doesn't just shape the way we conduct our own operations. It's at the heart of our product and service offerings too. Our approach to sustainability is based on three pillars – People, Planet and Progress – and is in line with the UN's Sustainable Development Goals. We have ambitious targets to lower our emissions and energy consumption, switch to clean energy sources and reduce the embedded carbon in our products.

Corporate Social Responsibility is part of our DNA and we measure our performance against ISO 26000 guidance. All our businesses are actively involved in community investment, volunteering and charitable giving.

At Lucy Group, sustainability is more than an obligation. It's what drives innovation and responsible growth.



Sustainability Framework

Our selected goals align with the material issues relevant to our Group, embodying a balanced approach across our three interconnected pillars: People, Planet and Progress. This strategic alignment ensures that our efforts are targeted and impactful, promoting sustainable development.

Within these pillars, we have identified seven priority areas, each serving as a core focus for our sustainability initiatives. These areas guide our efforts to make a positive impact and drive continuous improvement. Assigned against each area are time-bound goals to measure and track progress.

What and why: Improving people's lives – intelligent power, smart lighting and sustainable homes.

People

1. Education & training – internal and external

Providing training and career development opportunities for all employees and nurturing education and experience opportunities in our local communities.

2. Health and wellbeing

Providing a safe work environment that promotes the health and wellbeing of all, and actively participating in initiatives that improve the lives of those in our local communities.

Planet

3. Emissions targets and reductions

Taking decisive action in lowering our energy consumption and moving towards a low-carbon future by reducing our emissions and following a science-based approach to be Net Zero by 2050.

4. Biodiversity

Developing areas to provide Biodiversity Net Gain (BNG) and support community projects to raise awareness of climate issues and reduce environmental impact.

5. Waste

Implementing waste management strategies to reduce waste, increase recycling and improve sustainability practices.

Progress

6. Products/assets/customer

Designing, promoting and improving the energy efficiency of our products and properties, and establishing the embedded carbon content in our main product lines, while understanding our customers' sustainability needs and expectations.

7. Human rights and employment practices

Committing to upholding human rights and fair employment practices for our employees and engaging with our supply chain.



How: Putting people and planet at the heart of everything we do to achieve progress with a purpose.

By strategically focusing on these priorities and aligning them with the UN SDGs framework, we aim to create a sustainable future. Our dedication to measurable progress underscores our responsibility to the environment and society.

Environmental

As a business, we operate with respect for our natural environment and a keen focus on reducing our impacts. We are committed to taking decisive actions that improve our environmental performance, from adhering to legislation and embracing cutting-edge technologies to adopting best practices that align with the expectations of our diverse stakeholders.

Carbon emissions

Following an assessment of our emissions in accordance with ISO 14064 Part 1 2018, we have adopted Achilles' carbon accounting software (E-Manage) to fulfil the criteria for carbon reduction certification.

During 2024, the Group made significant strides in understanding and reporting our emissions data, alongside launching impactful sustainability initiatives across all businesses. At the beginning of the year, we analysed our emissions targets to establish ambitious, long-term goals that drive meaningful change. These targets, calculated with the Science Based Targets initiative (SBTi) Net Zero Tool introduced in 2021, lay out a clear, data-driven ten year plan using 2021 as the baseline.

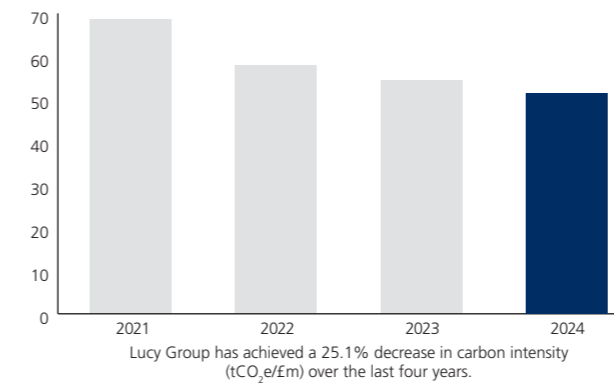
Our aim is to reduce absolute emissions, which poses a significant challenge as our business is expanding. In 2021, Group emissions were 18,058 tCO₂e. By 2024, this figure has risen to 19,430 tCO₂e, due primarily to business growth, acquisitions, and the extension of reporting to all Group businesses. By 2031, we aim to reduce emissions to 10,473.6tCO₂e, representing a 4.2% annual reduction against the baseline. This goal reflects our dedication to embedding sustainability into every aspect of our business, while remaining adaptable to the evolving demands of a growing enterprise.

We have adopted emission intensity reporting as a measure to enhance transparency and accountability in our environmental practices. This approach allows us to track and communicate the amount of greenhouse gas emissions relative to our economic output, helping to identify improvement areas and develop targeted strategies to mitigate our overall environmental impact. In the past four years, we have recorded a 25.1% reduction tCO₂e/£m in emissions intensity.

Mid-term targets allow us to adapt and refine our strategies, helping us align our operational trajectory with our sustainability commitments. This year, we conducted the first phase of a sustainability perception survey focusing on the sustainability topics that matter most to our employees, enabling us to pinpoint areas where we can make the most significant impact.

We prioritise enhancing the energy efficiency of our rental properties to benefit both our tenants and the environment. As part of this effort, we have continued to upgrade insulation across our portfolio. Currently, 82% of our properties achieve an EPC rating of C or above, helping to lower energy consumption for tenants and reduce overall emissions.

Lucy Group carbon intensity Calculated with tCO₂e and third-party sales figures



biodiversity, we aim to create sustainable habitats, support native species and mitigate the impact of development activities on the natural environment.

Across the entire Group, we aim to complete at least one BNG or environmental project per site every six months: the target for 2024 was 30 projects and we completed a total of 47.

We are committed to implementing waste management strategies to reduce waste, increase recycling and improve sustainability practices. We are on track to eliminate single use plastics by 2030 and have already beaten our target of reducing non-recyclable waste by 40% by 2025.

We have improved our supplier and contractor approval processes to promote fair labour practices across our supply chain. Additionally, we are continuously refining our audit procedures to strengthen compliance. These efforts reflect our strong commitment to ethical standards, ensuring that worker treatment aligns with our core values.

Ecology and waste management

At our housing development sites, we deliver a minimum of 110% Biodiversity Net Gain (BNG) to leave all sites in a measurably better state than before the build. By promoting

7.6%

Reduction in mains electricity and gas consumption kWh from 2021 to 2024

110.8

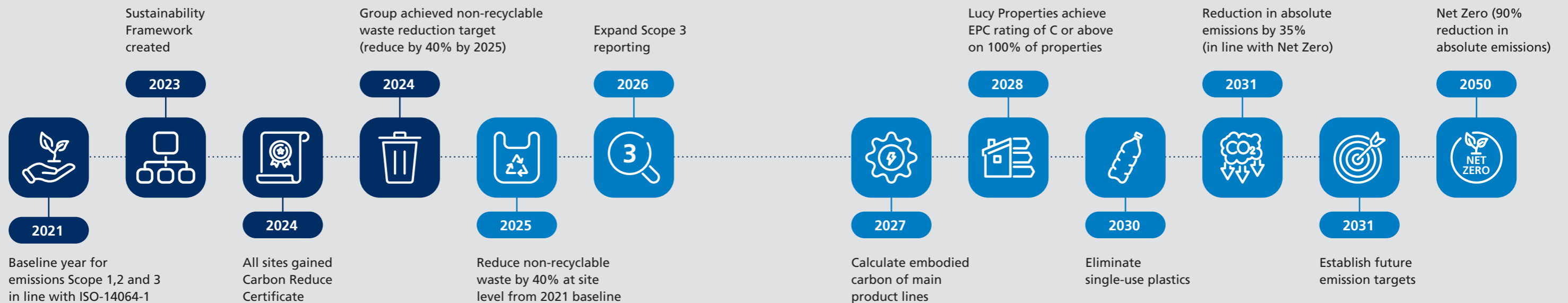
tCO₂e Saved through the installation of PV Panels

3.6%

reduction in Scope 1 and 2 emissions

43.1%

reduction in non-recyclable waste globally from 2021–2024



CASE STUDY

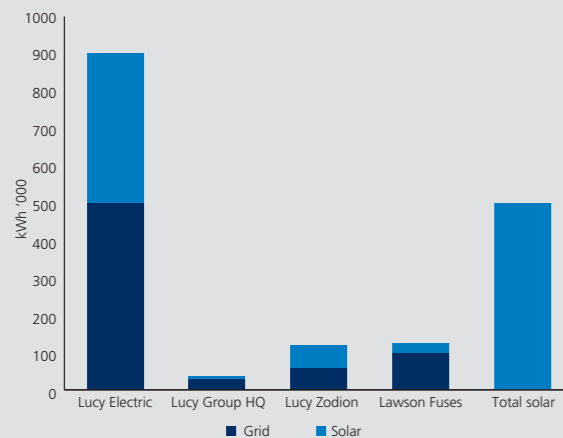
Solar power

Solar power is a key element of the Group's strategy for reducing carbon emissions. According to the Intergovernmental Panel on Climate Change (IPCC), the carbon footprint of rooftop solar panels is roughly 12 times less than natural gas and 20 times less than coal in terms of CO₂ emissions per kWh of electricity generated.

In 2024, we installed solar panels at key UK sites, starting with Lawson Fuses in Newcastle and then extending the initiative to Lucy Electric's Thame site. As a result, all main UK sites now use solar energy, supporting our broader sustainability objectives.

These installations have already made a substantial impact. In 2024 alone, we have generated 535,181 kWh of solar energy, leading to a saving of 110.8 tonnes of CO₂ equivalent (tCO₂e).

Solar vs Grid – main UK sites



CASE STUDY

Waste management

Lucy Zodion has traditionally used plastic packaging such as bubble wrap and air bags to protect products during shipping. In line with our sustainability goals, tests were conducted in 2024 to determine whether these plastic materials could be replaced with a more sustainable alternative that adequately protects the products in transit.

A decision was then made to replace the plastic packaging with cardboard infill made from shredded waste cardboard. This not only reduces plastic waste but also gives a second life to materials that would otherwise be discarded, promoting a circular economy and reducing deforestation. To support this initiative, Lucy Zodion has invested in a new cardboard shredder, which is expected to be fully operational once the facility extension at Sowerby Bridge is completed in February 2025.



Social Responsibility

Social responsibility is a common denominator across every part of the Group. It's part of our culture to play an active role in bettering the communities in which we operate. We have a long-standing social responsibility programme that includes community investment, charitable giving and volunteering. Although we support a broad range of causes, our main focus is on educational, health, and environmental initiatives, as well as supporting disadvantaged children, the homeless and biodiversity.

CSR area	Target/KPIs
Education	• Complete a minimum of one education-focused CSR initiative per site every six months.
Health & Wellbeing	• Complete a minimum of one health and wellbeing focused CSR initiative in the community per site every six months.
Biodiversity	• Complete a minimum of one BNG or environmental project per site every six months

We measure our CSR performance across seven core subjects and 274 attributes within a CSR Scoring Matrix based on ISO 26000 Social Responsibility guidance. By understanding how our decisions affect society, we can identify opportunities to improve our social responsibility and ensure that we effect lasting change.

Our work in 2024

In 2024 we supported 80 different charities/community projects and environmental organisations and participated in 212 activities.

We are really proud of the work we have been doing across our communities:

- **Fundraising and donations** – supporting local and national charities, local community activities and cultural events across all our locations for an array of causes covering health, youth & children, veterans, hospice care, the elderly, cancer charities, and food banks (all countries).
- **Supporting orphanages and children in care** – with much needed clothes, school equipment, food and other resources (Brazil, Saudi Arabia, South Africa, Thailand, Malaysia, UK).
- **Running health-related activities** – such as blood donations, charity runs raising money for various organisations (India, Malaysia Dubai, UK, Thailand).
- **Promoting biodiversity within schools and the community** – providing hedgehog houses, planting sensory gardens in schools, supporting school eco groups, visiting schools (UK, India, Malaysia, Thailand); cleaning up beaches, rivers, forests, local environments and removing plastics and rubbish from the streets (India, Saudi Arabia, Thailand, Romania); tree planting (UK, India, Saudi Arabia); donations to local wildlife charities and reserves (Brazil, UK, South Africa); recycling & reducing food waste (Thailand, UK, Dubai, Brazil, Malaysia, India).
- **Undertaking vital work with local schools** – supporting young people in education, work experience and apprenticeships; helping young people get the technology they need to receive an education ((UK, India, Dubai, Romania, Malaysia, Saudi Arabia).
- **Aiding youth organisations** – with their education and by providing essential equipment and supplies (India, Brazil, South Africa, UK, Dubai).
- **Volunteering** – visiting schools to explain the world of work, teach about engineering and sustainability or helping to refurbish premises or land (Thailand, UK, Romania, India, Saudi Arabia).

CASE STUDY

Beach clean-up in Saudi Arabia

In September, Lucy Switchgear Arabia (LSA) employees, in collaboration with the Ministry of Environment, took part in International Coastal Clean-up Day 2024 by leading a beach cleaning initiative at Half Moon Beach in Dhahran. The LSA team worked together to clean a 1.5km stretch of the beach, collecting waste and debris and ensuring it was properly disposed of in designated areas.

This initiative not only underscored the importance of maintaining pollutant-free public spaces for future generations, but also served to raise awareness of the crucial role that beaches play in protecting the natural environment, preserving marine ecosystems, and supporting biodiversity.



CASE STUDY

Rhino orphanage in South Africa

Located in Limpopo Province, South Africa, the Rhino Orphanage is a sanctuary for baby rhinos that have been orphaned due to poaching. The facility provides vital care and rehabilitation to these vulnerable creatures that live under the threat of extinction, with the aim of eventually releasing them back into the wild.

Funding is by far the biggest obstacle for the sanctuary. Therefore, employees at Lucy Electric and Lucy Group HQ undertook fundraising walks, runs and bike rides to which the Company donated £1 for every mile covered.

Some UK members of staff completed the coast-to-coast cycling challenge and others cycled from London to Brighton. A total of £4,000 was donated, with Lucy Electric South Africa adding a further £1,000.



Governance and People

At Lucy Group, we strive to be a force for good. We are committed to positively contributing to wider society and enhancing the wellbeing of our people, stakeholders and local communities, to leave a lasting legacy for the future. We focus on providing safe and healthy environments that promote quality of life for all; driving equality and inclusion in our business to build on the breadth and depth of diversity that our employees bring.

Wates Principles

As a private company, we report in accordance with the Wates Corporate Governance Principles for Large Private Companies. We therefore apply the six Wates Principles of Purpose & Leadership, Board Composition, Director Responsibilities, Opportunity and Risk, Remuneration, and Stakeholder Relationships and Engagement. These are covered in the sections on Corporate Governance (pages 66 to 83), Risk Management (pages 50 to 55), and Relations with Stakeholders (pages 78 to 79).

Fair labour

In 2024, we continue to report zero cases of corruption and discrimination – an outcome that reflects the strength of our policies and commitment to ethical standards. This milestone is not only a result of our robust compliance framework, but also of proactive measures we have taken to foster a vigilant and accountable culture across all levels of the organisation.

To reinforce these values, we have implemented comprehensive employee training programmes, designed to equip our teams with the knowledge and tools to identify, prevent and address misconduct. These sessions included scenario-based ethics training, which taught employees how to navigate ethical dilemmas and report concerns using practical, real-world examples. By aligning our policies with real-world actions, we are creating an environment where integrity is not just expected but actively practiced. Looking forward, we remain committed to continuous improvement, ensuring that Lucy Group adheres to the highest standards for ethical excellence in the workplace.

Health and safety

At Lucy Group, ensuring the wellbeing of our employees, contractors, and anyone impacted by our operations is our foremost priority. To achieve this, we have implemented comprehensive health and safety management systems designed to create a culture of safety and care. Our continued adherence to the globally recognised ISO 45001:2018 certification across all certified sites demonstrates our commitment to upholding the highest standards. This framework drives ongoing improvements, allowing us to remain at the forefront of workplace safety.

As part of our efforts to strengthen safety, we have enhanced the 'BE SAFER' programme, built around seven essential safety principles aimed at preventing serious injuries and fatalities. These principles empower employees to take personal responsibility for their safety, collaborate with colleagues to identify potential risks, and implement effective solutions. To complement this programme, we have introduced the EVOTIX OHS management system, which has streamlined the reporting of safety audits. This system ensures the timely closeout of actions, allowing employees to easily submit reports via mobile devices. This will be extended in 2025 to the reporting of hazards, incidents and near-misses.

We prioritise the safety of our operations by rigorously assessing our facilities against 24 comprehensive safety criteria. These criteria cover key areas such as compliance, documentation, training, and safety communications, providing a robust baseline for continuous improvement.

To address workplace hazards proactively, we utilise our Hazard Identification Ticket (HIT) process, which allows employees to report and track hazards until they are resolved. This system ensures that risks are identified and mitigated before incidents occur. In 2024, we recorded 1,934 hazard tickets, marking a 153% increase over the past three years, reflecting the growing engagement of our teams in building a safer work environment.

We record and report all incidents and accidents to ensure transparency. Our investigation process uses various methodologies to identify the root cause and ensure effective corrective actions are implemented. We collect accident data on a monthly basis and use data analysis to identify trends.

Key safety metrics, such as Total Recordable Incident Rates (TRIR) and Frequency Rates (FR), are integral to tracking our progress. TRIR is calculated per 1,000 employees, while FR is measured per 100,000 hours worked. Despite an increase in production across our business sectors, we achieved a TRIR of 5.15 in 2024, representing a 22% decrease compared to the previous year. Our FR remains the same at 0.22 and is a focus area for further improvement.

Learning & development

We value our employees and their contribution to the Group, and we want to help them grow personally and professionally. In 2024, our internal L&D team delivered over 100 courses across the globe, training over 1,200 employees on topics such as the six critical practices of leading a team, mental health awareness, seven habits of highly effective people, and insights discovery.

We have also introduced more e-learning content, which has been developed internally to support our recently released Leading Responsibly framework. We have partnered with LinkedIn Learning and Franklin Covey to enable learning from anywhere and around busy schedules. In 2024, we delivered over 13,000 hours of learning to our employees.

Wellbeing

Throughout 2024, wellbeing has been a key area of focus for the Group. We prioritised driving and delivering global and local wellbeing activities, introducing new intranet pages, panel webinars, increased support, and various

events. Mental health awareness training was a particular highlight, with our wellbeing team hosting numerous well-attended global webinars on topics such as neurodiversity, men’s health awareness, stress management, the power of sleep, and mental health.

Our ongoing commitment and efforts are reflected in our recent employee engagement survey, where 81% of employees believe that health and wellbeing is a priority at Lucy Group, marking a 1% increase from our previous survey. This positive result places us 3% above the manufacturing benchmark, positioning Lucy Group in the top 25% among our peers.

Looking ahead, we aim to strengthen our approach by building upon our global wellbeing strategy. This endeavour will enhance the support available to all employees, embedding it at every level of the organisation and within our practices and procedures. This is a top priority and, through these efforts, we aim to be placed in the top 10% for our industry benchmark by achieving a score of 84%.

Other result highlights from our recent survey include:

<p>81%</p> <p>of employees say they are provided with information and support needed to manage their health and wellbeing.</p>	<p>80%</p> <p>of employees believe that Lucy Group support their physical wellbeing.</p>	<p>80%</p> <p>of employees feel confident in speaking to their manager about challenges they may be facing.</p>
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CASE STUDY

Wellbeing at Lucy Zodion

In response to a shift in engagement scores during a period of transition, Lucy Zodion implemented a comprehensive strategy to enhance employee engagement and wellbeing, with a strong focus on supporting our employees. This began with a thorough needs analysis, including a culture audit and one-on-one discussions to assess employee needs and company culture.

Based on the findings, several wellbeing initiatives were introduced, such as social wellbeing events including go-karting and bowling, enhanced mental wellbeing support, and the creation of an employee Wellness Room to provide a space for employees to take a break and reset when needed. Other targeted actions included an office restructuring, employee values awards, values workshops, enhanced communication with shop floor employees, and frequent polls to gather insights on areas of focus.

Overall, these efforts have led to a significant improvement in engagement scores (+14%), making Lucy Zodion the most improved business in the Group. Together, we have transformed challenges into opportunities, fostering a culture of engagement and wellbeing that aims to empower every individual at Lucy Zodion.



CASE STUDY

Future Leaders Programme

In January 2024, we kicked off the two-year ‘Future Leaders Programme’ with our first cohort of candidates, focusing on Lucy Electric as a pilot test. The first intensive week consisted of:

- Insights Discovery – personality types and how to adapt and connect with others.
- Mentoring – how to be an effective mentor and how to get the best out of being a mentee.
- Team Building Day – the six future leaders pitted their skills against the Lucy Electric Executive Team (ET) – and won convincingly – in activities such as archery and shooting.

- Seven Habits Leader Implementation – using the 7 habits framework for effective leadership.
- International Assignment Preparation – process, documentation, skills and ideas to prepare for international assignments.
- During the course of 2024, each candidate worked on an international assignment to give them broad exposure to Lucy’s businesses and to enhance their learning and leadership skills.



The Strategic Report was approved by the Board of Directors and signed on its behalf by:

Richard Dick
 Executive Chairman

20 March 2025

CORPORATE GOVERNANCE

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BOARD OF DIRECTORS

1 Jonathan Finch-Dick
Executive Director

Jonathan was appointed as a Non-Executive Director in June 2013, subsequently becoming an Executive Director upon joining Lucy Group on a full-time basis in May 2017.

His current focus is on overseeing the Lucy Real Estate and the Lucy Controls businesses. Prior to joining the Group, he spent 12 years at CBRE, the international commercial real estate services and investment firm, culminating in the role of Senior Director. Jonathan has a degree in Geography from the University of Oxford and an Executive MBA from Said Business School.

2 Richard Dobbs
Non-Executive Director

Richard was appointed to the Board in July 2020.

He had a 30-year career at global management consultancy McKinsey – working in the UK, India and South Korea – most recently holding the positions of Senior Partner and Director of the McKinsey Centre for Government. Richard has a degree in Engineering, Economics and Management from the University of Oxford and an MBA from Stanford.

3 Gary Ashton
Group Finance Director

Gary joined the Company as Group Finance Director in April 1997 and also oversees the Group Information Systems function.

He is an experienced finance leader, having previously held senior positions in several large multinational companies in the electrical engineering sector. Gary has played a significant role in the transformation and growth of the Company and brings strong stewardship and an appetite for innovation, collaboration and simplification. He is a Chartered Accountant and holds an MBA.

4 Pippa Latham
Non-Executive Director

Pippa was appointed to the Board in June 2013 and is Chair of the Audit and Remuneration Committees.

After a career in merchant banking, she spent 25 years at family AIM listed business James Latham plc, before running her own corporate governance & company secretarial consultancy. Pippa is a Non-Executive Director at Albion Enterprise VCT plc and is a corporate development consultant at Garsington Opera. She has an MA in Economics from Cambridge University, an MBA from INSEAD and is FCMA and ACIS qualified.

5 Richard Dick
Executive Chairman

Richard was appointed as Executive Chairman in 1990, having been appointed as a Director in February 1981.

He is also Chairman of W.L. Shareholding Company Ltd. Richard is a past president of, and plays an active role in, BEAMA. He is also a past president of Orgalim, the body that represents Europe's technology industries at EU level. As High Sheriff of Oxfordshire, he started the High Sheriff Young Engineer Awards in 2009, which is now an annual event. Richard's active charity interests are in young people, education and homelessness in the Oxford area. He has a degree in Engineering from the University of Cambridge.

6 Madeline Laxton
Executive Director and Company Secretary

Madeline was appointed as Company Secretary in January 2006 and as a Director in September 2014.

She oversees a number of Group functions including HR, Marketing & Communications, and Legal. She also has active charity interests in Oxfordshire. Prior to joining the Group, Madeline spent 15 years in senior legal leadership roles at several large international engineering and construction companies. She has degrees from the University of Leeds and King's College, University of London, and a Diploma in Organisational Leadership from Said Business School.

7 Michael Dick
Non-Executive Director

Michael was appointed to the Board in May 2024.

He had a 30-year career in marketing, working on numerous blue-chip brands, including more than a decade working for Coca-Cola in senior management positions, both domestically in the UK and internationally. He is a former fellow of the Chartered Institute of Marketing. He has a degree in Economics from the University of Durham.



Guiding principle

The Board recognises that its role is to provide effective leadership that promotes the long-term sustainable success of the Group, generating value for shareholders and contributing to the communities in which we operate. This report sets out the Group's governance framework and how it and the Board supports delivery of the Group's strategy and development.

Whilst the Group does not currently fall within the scope of 'The Companies (Miscellaneous Reporting) Regulations 2019', the Board believes that in light of its growth in recent years it is nevertheless appropriate, and beneficial to stakeholders, for the Group's governance framework to be summarised in the context of the Wates Corporate Governance Principles for Large Private Companies ('Wates Principles').

Wates Principle 1 – Purpose and Leadership

The Board is collectively responsible for the ongoing success of the Group

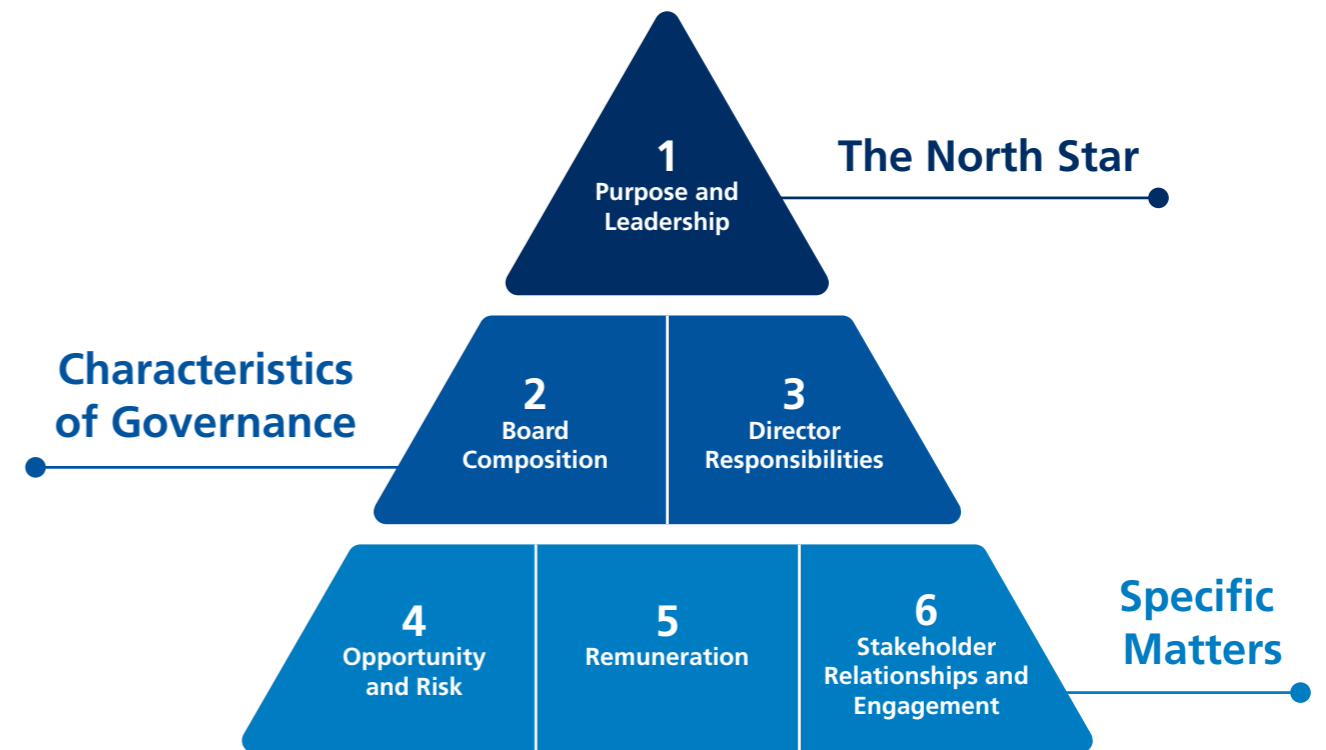
and for ensuring leadership within a framework of effective controls. It sets and promotes the Group's purpose, values and culture described in more detail on page 11 and has throughout the financial year maintained its focus on supporting the delivery of the Group's strategy, which is focused around five strategic priorities. It has monitored financial and operational performance, compliance with applicable legal and regulatory requirements and the development of talent within the business.

The Board is responsible for the Group's system of internal control and the development, implementation and monitoring of its policies.

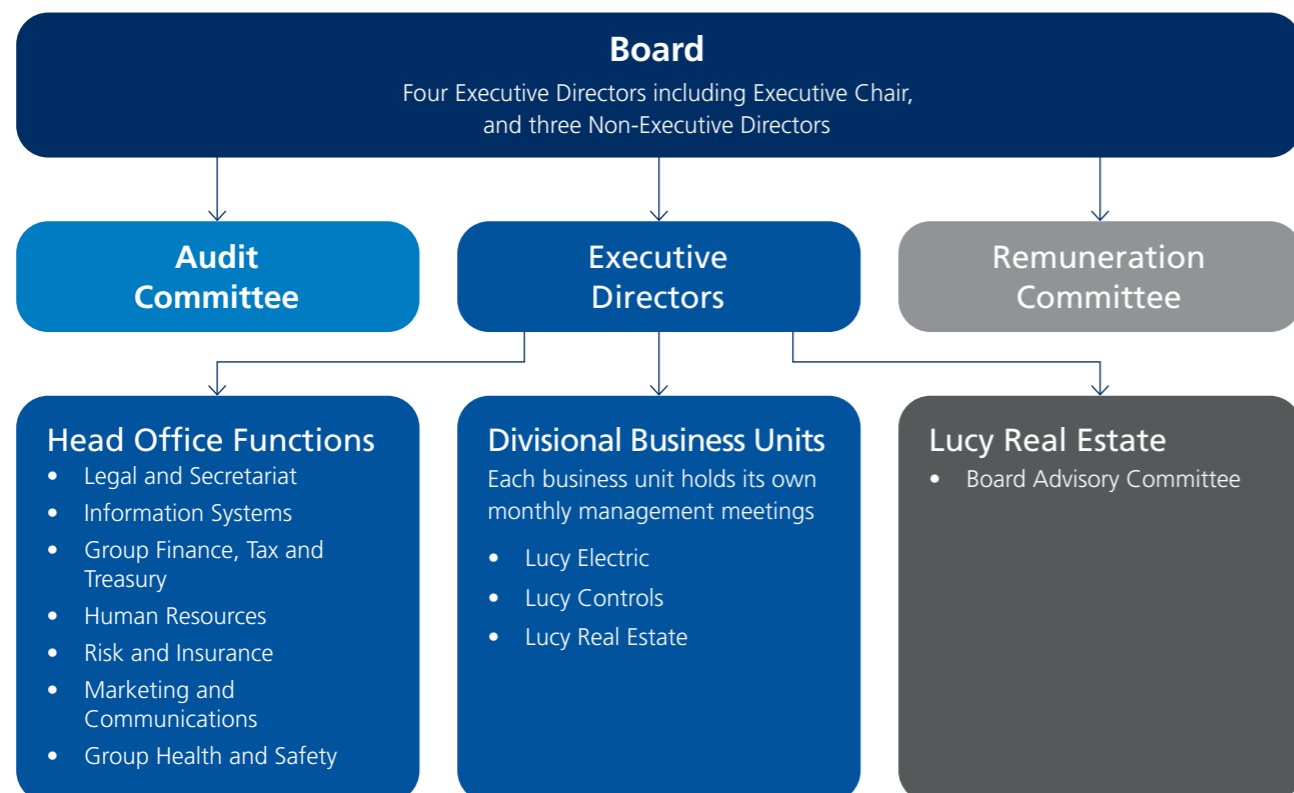
The Board's 'Leading Responsibly' framework was launched in 2023 to enhance the Group's Corporate Governance arrangements, establish clear compliance responsibilities for all Group entities and to restate delegated authorities. With clearer responsibilities, managers will be accountable to apply and

comply with the Group's policies and processes for their specific business operations in order to support assurance and compliance throughout the organisation. Leading Responsibly, therefore, empowers local management to make timely and effective decisions within a defined framework. There has been continued development of the programme throughout 2024 with, among others, new and updated policies relating to trade compliance, data governance, communications, tax, and corporate risk management, as well as the ongoing roll-out of new and refreshed training programmes.

Progress both against our sustainability priorities and continuing actions to enable sustainable living throughout our activities, products and services – together with our long-standing programme to deliver social value – is covered in the ESG section on pages 56 to 65.



Governance framework



Wates Principle 2 – Board Composition

The Board of Directors comprises the Chair, who leads the Board and is responsible for its overall effectiveness, and three Executive Directors (collectively the four 'Executive Directors') and three Non-Executive Directors. It has a duty to promote the long-term success of the Company for our shareholders and sets the Group's strategy. A biography for each Director can be found on pages 68 to 69.

All members of the Board provide constructive challenge, contribution and debate and the Board recognises that good governance, underpinned by a culture of open communication and mutual trust, is essential to successful and sustained delivery of our strategy and long-term sustainable value. It is committed to meeting the highest standards for acting in the best interests of all stakeholders. The Board's size and composition provides an appropriate balance of diversity, background, skills, experience and

knowledge required to take the business forward. Careful, and regular, consideration and evaluation of the Board's composition and strengths is given to ensure that it meets the evolving strategic needs and challenges of the Group and enables effective decision making. Following such consideration during the year, the Board recognised the benefits that Michael Dick would bring to the Board on his appointment as a Non-Executive Director.

On a day-to-day basis, the Executive Directors are responsible for executing business strategy and managing the Group. They are supported by senior management teams in Lucy Electric, Lucy Controls and Lucy Real Estate and local managers in their respective subsidiaries and business operations, who contribute to strategic direction and provide operational management. The Executive Directors discuss and consider all important matters that are raised to the Board or respective Committees of the Board.

Directors are encouraged to update and refresh their skills, knowledge and familiarity with the Group by attending external seminars, taking part in meetings, visiting operating units both in the UK and overseas, and observing presentations by senior management. They receive presentations and information from external advisors and have access to various technical and professional updates on a range of relevant topics useful for enhancing the Board's knowledge and professional development. The Group is committed to the ongoing professional development of its employees, which is delivered through a variety of means including training courses and mentoring programmes, to ensure that everyone has the latest knowledge and skills required to work effectively.

The Board recognises the importance of diversity, including background, gender, experience and ethnicity. Such diversity benefits debate and decision making throughout all levels of the organisation.

Wates Principle 3 – Director Responsibilities

During the year, there were six meetings held by the Board together with a strategy session in November 2024. A formal schedule of matters reserved for Board approval is maintained, which includes: approval of the Group's strategy, purpose, vision and priorities to promote long-term sustainable success; oversight of operational and financial performance; approval of medium-term plans, annual budgets and major items of capital expenditure; organisational changes; and changes in key policies.

Directors receive relevant and timely information on the matters to be discussed at each Board meeting. The Board uses third-party software to distribute information quickly and securely without circulating paper copies, minimising our impact on the environment. The Company Secretary ensures information flows within the Board and its Committees, and between executive management and the Non-Executive Directors. Declarations of any actual or potential conflicts of interest with items on the agenda are disclosed at meetings and considered carefully and, if necessary, mitigating actions are taken.

At Board meetings:

- The Executive Chair presents an update on business issues across the Group;
- The Executive Director responsible for safety provides an update and reports on health, safety and sustainability matters and there is an annual presentation to the Board from the Group's Head of Health, Safety and Sustainability;
- The Directors monitor the Group's Key Performance Indicators (KPIs) and review the Group's medium and longer-term strategy. Between Board meetings, Directors also meet business unit management teams and receive information in a timely manner on matters affecting the business as relevant;

- The Group Finance Director presents on financial planning and a detailed performance analysis;
- The Executive Director responsible for people provides an update on relevant issues across the Group;
- Business unit heads and other senior managers attend relevant parts of Board meetings to present and take questions on their area of responsibility, and provide updates on developments and changes to the business, including updates on health, safety and sustainability, risk, crisis and reputation management and key regulatory, contractual and legal issues that affect their business units.

In addition, the Board meets annually specifically to review the Group's medium and longer-term strategy and agree priorities for the forthcoming financial year. Furthermore, the Board regularly reviews and approves governance and governance-related matters.

Board Committees

The Board has established Board Committees to assist it in meeting its responsibilities and delegates matters as appropriate to these.

There are three established Committees: the Audit Committee, the Remuneration Committee and the Real Estate Committee.



Audit Committee

The Audit Committee comprises a Non-Executive Director, who chairs the Committee, and an external independent member as well as the Company Secretary. It meets at least biannually. The Group Finance Director and Head of Internal Audit are invited to attend meetings, together with the Group's external Auditors when required. The Committee meets with the Group's external Auditors without the Group Finance Director present.

The Audit Committee is governed by terms of reference to outline its objectives and responsibilities, which were updated in 2024. These are principally to monitor the integrity and effectiveness of the Group's reporting processes, systems of internal control and financial management, its accounting processes, and internal and external audits. The Audit Committee monitors the Group's risk control framework and operation, making recommendations to the Board to maintain its adequacy. It also considers the financial reports and reviews accounting policies in line with major accounting issues of a subjective nature that have been discussed and considered by the Committee. The Committee considers the development of, and compliance with, the Group's key governance policies and procedures.

Lucy Real Estate Committee

The Lucy Real Estate Committee is responsible for the Group's strategy on property management, refurbishment and development, with the objective of maintaining and enhancing the underlying value of the Company's property assets. The Committee was brought to a close on 31 December 2024 and replaced with quarterly business review meetings, in line with the other business units.

Remuneration Committee

The Remuneration Committee comprises one Non-Executive Director and the Executive Chairman. Its objective is to review and set competitive levels of remuneration for the Executive Directors aligned to the Group's long-term success.

Board Committees and Directors can access independent professional advice at the Group's expense if they deem it necessary to carry out their responsibilities.

Wates Principle 4 – Opportunity and Risk

The Board and Executive Directors seek out opportunities that are conducive to achieving the Group's strategy, while mitigating risk in line with the Group's risk management framework, processes and associated policies.

While the Board has overall responsibility for ensuring that the Group's systems of risk management and internal control are operating effectively, the Executive Directors are accountable for the effective management of risks and the identification of opportunities on a day-to-day basis with oversight from the Audit Committee, which ensures that there is an effective risk management process in place.

Details of the Group's Risk Management processes, controls and Principal Risks and Uncertainties are set out on pages 50 to 55. The Board is satisfied that there is an ongoing, appropriately designed process for identifying, evaluating and managing the Group's significant risks, which is regularly reviewed.

Board meeting agenda

Items	Who is responsible
Updates on the business issues across the Group	Executive Chair
Updates and reports on matters relating to health, safety and sustainability	Executive Director responsible for health, safety and sustainability
Monitor the KPIs and review the Group's medium and longer-term strategy	All Directors
Financial planning and a detailed performance analysis	Group Finance Director
Updates on people issues across the Group	Executive Director responsible for people
Present and take questions on their area of responsibility, and provide updates on developments and changes to the business, including updates on health, safety and sustainability, risk, crisis and reputation management, and key regulatory, contractual and legal issues that affect their respective business units	Business unit heads and other senior managers

6 Board meetings held in 2024



Board meeting dates 2024

Mar (x1)	Apr (x1)	May (x1)
Jul (x1)	Oct (x1)	Dec (x1)

The Head of Internal Audit undertakes a programme of internal audits and reports their findings and recommendations to the Audit Committee, which raises any concerns to the Board for discussion and action.

The Directors have reviewed the effectiveness of internal control and considered the key risks and exposures within the Group. The Group's principal risks and uncertainties are described on pages 52 to 55, together with mitigating actions designed to control and minimise their impact.

The system of internal control is designed to manage, rather than eliminate, risk of failure to achieve business objectives, and can only provide reasonable, not absolute, assurance against material misstatement or loss. These systems and controls are periodically assessed against market best practice, and internal processes are monitored to ensure adherence to these controls.

The Board holds regular meetings where it approves major decisions, including significant items of capital expenditure, investments, funding and dividend policy.

The Board is responsible for approving annual Group budgets and medium-term plans. Performance against budgets is reported to the Board and substantial variances are explained. Forecasts are prepared each quarter and reviewed by the Board. In addition, there is open and frequent discussion, and detailed information is provided to Non-Executive Directors for their review and challenge.

The Company has a formal Whistleblowing Policy through which employees can raise genuine concerns of possible wrongdoing, in confidence, through an independent helpline. If possible wrongdoing is raised by an employee, or is discovered by any other means, a full investigation is carried out and appropriate remedial steps are taken to address any findings.

External Auditors

Wenn Townsend has reported to the Audit Committee that, in their professional judgement, they are independent within the meaning of regulatory and professional requirements, and the objectivity of the audit engagement partner and audit staff is not impaired. The Audit Committee has reviewed this statement and agrees with its conclusion. In accordance with Group policy, the lead audit partner was rotated six years ago to maintain an appropriate degree of rigour and independence and, after a Board review which is next scheduled for 2025, this rotation will continue to occur periodically.

Going concern

The Directors report that, having reviewed current performance and forecasts, the Group has adequate resources to continue in operational existence for the foreseeable future. They have, therefore, continued to adopt the going concern basis in preparing the accounts.

Wates Principle 5 – Remuneration

We aim to have remuneration policies which are fair, appropriate and affordable. The structure and level of remuneration is set to enable us to attract and retain a high-quality workforce and motivate high performance at all levels in the organisation.

Remuneration decisions for the Executive Directors are handled by the Remuneration Committee, which reviews and sets competitive levels of remuneration for the Executive Directors aligned to the Group's performance, both in terms of its annual results and long-term sustainable success.

The Executive Directors set fees for the Non-Executive Directors by considering their roles and responsibilities, including where a Non-Executive Director chairs a Committee, and their time commitment.

Wates Principle 6 – Stakeholder Relationships and Engagement

The Group engages regularly with each of its key stakeholder groups to ensure their needs are appropriately reflected in our purpose and priorities. Key stakeholder groups include employees, customers, suppliers, shareholders and the communities within which we operate. Details of engagement with key stakeholders are found in the sections on Relations with Stakeholders on pages 78 to 79, ESG on pages 56 to 65, and in the Report of the Directors on pages 76 to 77.

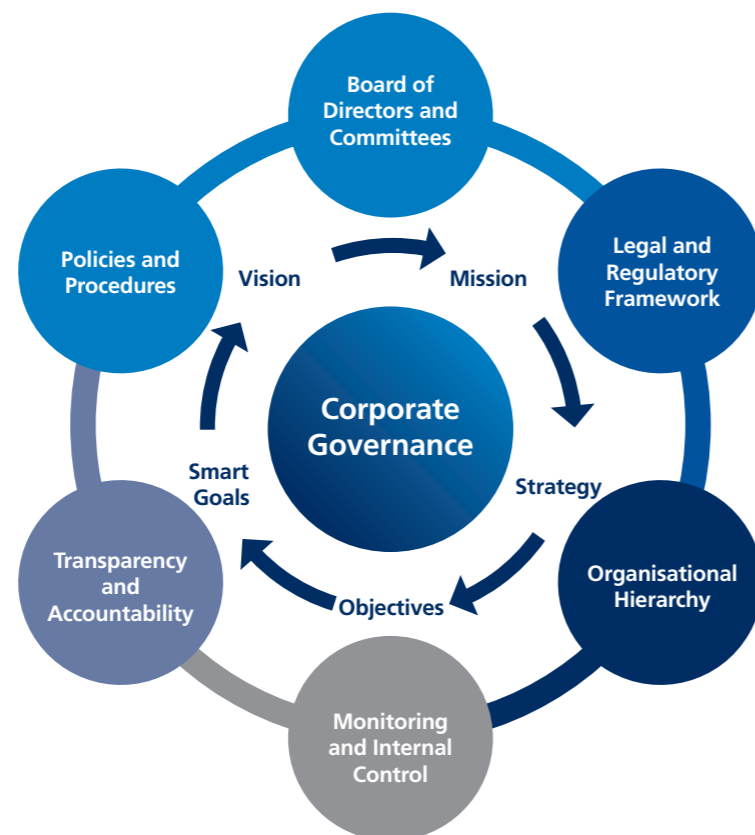
The Board aims to promote the success of the Company for the benefits of our shareholders as a whole, considering the long-term consequences of its decisions and looking at those decisions from several perspectives. This involves the Board maintaining a dialogue with, and promoting the interests of, shareholders as a key priority throughout the year, not only ahead of the Annual General Meeting (AGM). The Board is accountable to shareholders for the performance and activities of the Group.

The Board communicates the Group's business activities to shareholders through the Annual Report and Accounts, the half-yearly announcement, and at other times as appropriate. The Company makes constructive use of its AGM, and shareholders attending the meeting have an opportunity to ask questions or represent their views there.

By order of the Board.

Madeline Laxton
Company Secretary

20 March 2025



CASE STUDY

Leading Responsibly

In July 2023, we launched a new governance framework known as 'Leading Responsibly'. The intention is for the Group's businesses to operate independently, with more delegated authorities, yet always within a broader Group governance framework.

This is being achieved through a review and update of the Group's core policies, promoting training and understanding among all employees. Over the past 18 months, we have succeeded in launching a number of new policies and updating existing ones. New policies delivered in 2024 include Trade Compliance, Sustainable Development, Tax, and Crisis Communications. We have also established a dedicated, ISO 27001-compliant Data Management System (DMS) for all policies, built in SharePoint and accessible via the intranet.

In 2025, with the vast majority of Group policies launched and associated training up to date, Group resources will support the businesses with local adaptation of policies (where required) and regular ongoing audits to support compliance requirements.



The Directors present their report on the affairs of the Group, together with the audited accounts for the year ended 31 December 2024.

Directors

Membership of the Board is set out on pages 68 to 69. The current Directors served throughout the year, with the exception of Michael Dick, who was appointed to the Board in May 2024.

Financial results

The financial results can be found in the Financial Statements section of this report on pages 84 to 129.

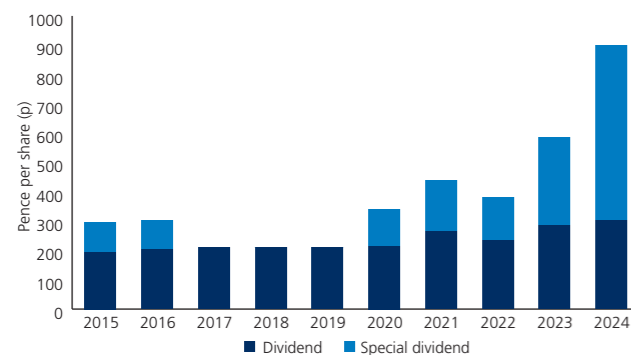
Dividends

The Board recommended a final dividend of 179p per share which, taken together with an interim dividend of 122p per share, gives a core dividend payment of 301p per share for 2024.

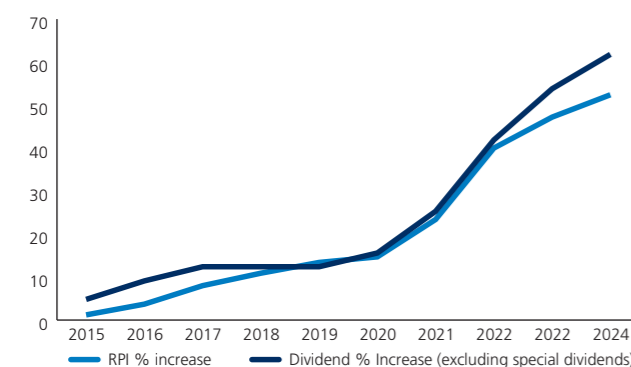
This dividend will be payable on 1 May 2025, subject to shareholder approval at the Annual General Meeting on 24 April 2025. There was a special dividend of 600p per share paid on 5th December 2023, reflecting the Group's strong performance.

The following charts show dividend payments paid and proposed over the last ten years. The 2019, 2020 and 2021 numbers have been normalised to remove the impact caused by the Covid-19 pandemic on the timing of dividend payments.

Dividends paid and proposed



RPI vs year-on-year core dividend growth



Investment property

The Group's investment property is included in the Statement of Financial Position at fair value, after taking independent professional advice. Changes in fair value during the year are included in the Income Statement.

Property occupied by the Group

Properties that are occupied by the Group are included in the Statement of Financial Position at book value and, in the Directors' opinion, the fair value of these properties is similar to their book value.

Events since the balance sheet date

No significant events have occurred since the year end.

Business reviews and future developments

Business reviews and future developments impacting the Group are disclosed in the Strategic Reports.

Employees, policies and engagement

Details of the average number of employees are set out in the financial statements. We promote an inclusive workplace and, as such, our employment policies are designed to respect employees' human rights, ensure equal opportunity, and promote diversity, including for disabled persons.

Details of the Group's goal and performance on employee engagement are set out in the Key Performance Indicators section of this report. We value the commitment of our employees and continue to communicate with them about the development of the business.

Business relationships

Details of how the Directors continue to build business relationships with suppliers, customers and others are in the section on Relations with Stakeholders.

Health and safety

We are committed to health and safety best practice as an integral part of our business activities. Good health and safety management safeguards our employees and those who may be affected by our activities. It also supports the Group in achieving its business objectives.

Corporate governance

The Corporate Governance Report is on pages 70 to 75 and is incorporated by reference into this Directors' Report. The Board sets the tone for the way in which the Group operates and is committed to running the business responsibly.

The Board considers current performance, strategy and acquisitions, risk management and internal controls continually. Executive management disseminates the values and standards of the Board throughout the Group.

Research and development

The Group's policy is to invest in innovation and development at a level that ensures it retains and enhances its market position.

Slavery and human trafficking statement

The Group has published an updated slavery and human trafficking statement for the year ended 31 March 2024 pursuant to section 54 of the Modern Slavery Act 2015. The statement sets out the steps that the Group has taken to address the risk of slavery and human trafficking occurring within its own operations and supply chains. This statement can be found on the corporate website at www.lucygroup.com

GHG emissions and energy consumption

Information on GHG emissions and energy consumption is set out in the Key Performance Indicators on pages 30 to 31. For compliance purposes, we are required to disclose the GHG emissions of Lucy Electric UK Ltd (LEUK), a UK subsidiary which is a large company. The emissions were 2,498 tCO₂e in 2024 and include Scope 1 (direct), Scope 2 (energy indirect) and Scope 3 (other indirect) figures and those associated with Lucy Electric EMS employees based at the LEUK Thame facility. Gas usage equated to 221,250 kWh and Transport Fuels to 11,632.97 kWh. Electricity usage was down by 10.7% to 624,500 kWh, equating to 6.26 kWh/£k sales, a 21.1% decrease in 2024 against 2023 data, with a 6.8% increase on tCO₂e/£m turnover.

Financial instruments

Information on the Group's use of financial instruments, including financial risk management, the objectives and policies of the Group, and the exposure of the Group to certain financial risks, is in the Group Accounting policies on pages 91 to 98 and Note 26 on pages 114 to 117.

Donations

Total charitable donations during the year were £111.2k (2023: £86.4k). These comprised £75.8k for community projects (2023: £36.8k), £2.0k for educational projects (2023: £7.5k) and £33.4k for other projects (2023: £42.1k).

No political contributions were made (2023: £nil).

Close Company provisions

The Company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

Directors' liability insurance

As permitted by the Company's Articles of Association, Directors' and officers' liability insurance was maintained throughout the financial period.

Disclosure of information to Auditors

Insofar 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.

External Auditors

Wenn Townsend have expressed their willingness to continue in office as Auditors of the Company and, in accordance with section 485 of the Companies Act 2006, a resolution proposing their reappointment will be put to the members at the 2025 Annual General Meeting.

By order of the Board.

Madeline Laxton
Company Secretary

20 March 2025

The Board sets the Group’s strategic direction and manages its operational performance in the way most likely to promote the Group’s long-term success for the benefit of its members. An important part of this is engagement with key stakeholders and considering their feedback. In this section, we describe how and why Directors have engaged with stakeholders during the year.

The Directors have had regard to the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006 when performing their duties.

We define principal decisions as both those that are material to the Group and those that are significant to any of our key stakeholder groups. The Board considers that it has taken actions and decisions that, in good faith, are most likely to promote the success of the Group and are for the benefit of its members. It has considered feedback from its stakeholders as well as the need to maintain a reputation for high standards of business conduct and the need to act fairly between the members of the Company. Details of our engagement with respective stakeholders and the principal decisions made by the Board during the year are disclosed in the Strategic Report, including the sections on ESG and Governance, the Directors’ Report and the Corporate Governance Report.

Regulatory bodies and trade associations

We operate in an environment that can be impacted by regulatory changes, so we engage with regulators and trade associations to assist with our compliance framework, training and new product development. This helps with the development of the Group’s strategic direction.

Communities and environment

Doing business responsibly brings benefits for wider society and assists our commercial success. Details of our community engagement and what we do to promote sustainability are in the ESG section of the Strategic Report.

Pensions

The Group has to fund its defined benefit pension scheme and ensure that sufficient contributions are made to meet liabilities as they fall due. We recognise that ongoing engagement with trustees and professional advisers benefits both the Group and members of our pension schemes.

Suppliers

Our suppliers are fundamental to the quality of our products and to ensuring that we meet the high standards of conduct that we set ourselves and comply with regulatory requirements. We rely on them to deliver on time and to the specified quality and standard. We collaborate with our suppliers to mitigate against, and provide solutions for, supply chain interruptions.

Shareholders

We aim to maintain shareholder buy-in to and support for our strategic objectives and how we go about executing them. We create value for our shareholders by generating sustainable results that result in dividends, including, where supported by performance, the payment of special dividends. We want our investors to keep a long-term holding in the Company.

Customers

In a highly competitive environment, our success depends on meeting customer needs more effectively than our competitors. Regular engagement with our customers, therefore, ensures that both our current products and those in development match what they expect and need.

Lenders

Access to external funding is important to the long-term success of our business. We therefore keep in regular contact with the Group’s lenders to ensure that there is adequate funding available both for the Group’s continuing operational needs and for our longer-term strategic development.

Employees

The Company’s long-term success depends on the commitment and delivery of our strategy by our workforce and the consistent demonstration, adherence to, and development of our values. To maintain a competitive advantage and meet the ever-changing demands of the environment in which we operate, our workforce needs to be adaptive, flexible and constantly developing its skills to meet market challenges.



DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic Report, Report of the Directors and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

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 Group and Parent Company and the profit or loss of the Group and Parent Company for that period.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether international accounting standards, in conformity with the requirements of the Companies Act 2006, have been followed, subject to any material departures disclosed and explained in the financial statements;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with specific requirements in international accounting standards, in conformity with the requirements of the Companies Act 2006, is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- prepare the financial statements on a going concern basis unless they consider that to be inappropriate.

The Directors confirm that the financial statements comply with the above requirements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose, with reasonable accuracy at any time, the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Responsibilities statement

We confirm to the best of our knowledge that;

- the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and results of the Group;
- the Strategic Report contained in this Annual Report includes a fair review of the developments and performance of the business and the position of the Company and the Group, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

On behalf of the Board.

C R Dick
Executive Chairman

G D Ashton
Group Finance Director

20 March 2025

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LUCY GROUP LTD

Opinion

We have audited the financial statements of Lucy Group Ltd ('the Parent Company') and its subsidiaries ('the Group') for the year ended 31 December 2024, which comprise the Group and Parent Company Statements of Financial Position, the Group Income Statement, the Group Statement of Comprehensive Income, the Group Statement of Cash Flows, the Group and Parent Company Statements 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 the preparation of the Group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS101 Reduced Disclosure Framework.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024, and of the Group's profit for the year then ended;
- the Group's financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS101 Reduced Disclosure Framework; and
- the financial statements 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 Group and Parent 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

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. Our evaluation of the Directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included assessing the Company's and Group's post-year-end trading and performance by comparing actual results to budgeted and previous period figures. Explanations were received for significant changes including the impact on funding requirements. Discussions were held with the senior management team regarding legal and contractual issues, including supply chain risk.

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 Group's or Parent Company's ability to continue as a going concern for a period of at least 12 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 Auditor's 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.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LUCY GROUP LTD

CONTINUED

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 Group and Parent Company, and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Report of the Directors.

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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 of 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 80, 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 Group's and the Parent 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 Group or the Parent 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.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, are 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;
- Enquiry of component Auditors to request identification of any instances of non-compliance with laws and regulations.

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.

This description forms part of our Auditor's report.

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 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.

Ajay Bahl, BA BFP FCA
 (Senior Statutory Auditor)

For and on behalf of Wenn Townsend
 Chartered Accountants and Statutory Auditors

30 St Giles
 Oxford
 OX1 3LE

20 March 2025

FINANCIAL STATEMENTS

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CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £000	2023 £000
Revenue	3	409,331	359,124
Cost of sales		(266,587)	(243,427)
Gross profit		142,744	115,697
Selling and distribution costs		(35,698)	(33,255)
Administrative expenses		(16,812)	(16,089)
Research and development costs		(13,045)	(9,796)
Other operating income/(expenses)		3,640	5,743
Operating profit before net valuation gains/losses on investment property	4	80,829	62,300
Net valuation gains/(losses) on investment property		2,361	(2,450)
Operating profit after net valuation gains/losses on investment property		83,190	59,850
Finance income	6	3,755	2,314
Finance costs	6	(1,735)	(2,676)
Profit before taxation		85,210	59,488
Tax expense	7	(13,298)	(18,965)
Profit for the year		71,912	40,523
Dividends	9	(4,388)	(2,833)
Retained profit for the year		67,524	37,690
Profit for the year attributable to:			
Non-controlling interest		570	(11)
Owners of the parent		66,954	37,701
		67,524	37,690
Earnings per share	8	14,504p	8,241p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

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FINANCIAL STATEMENTS
SHAREHOLDER INFORMATION

	2024 £000	2023 £000
Profit for the year	71,912	40,523
Other comprehensive income:		
Items that will not be reclassified subsequently to the Income Statement:		
Remeasurement of UK defined benefit pension scheme	1,625	945
Taxation relating to remeasurement of UK pension scheme	(406)	(236)
Remeasurement of non-UK employee benefit schemes	(84)	(60)
Taxation relating to remeasurement of non-UK employee benefit schemes	11	16
Items that will subsequently be reclassified to the Income Statement:		
Currency translation differences	897	(3,490)
Gain on revaluation of available-for-sale investments	341	155
Taxation relating to revaluation of investments	(75)	(16)
Total comprehensive income for the year, net of tax	74,221	37,837
Total comprehensive income for the year attributable to:		
Non-controlling interest	570	(11)
Owners of the parent	73,651	37,848
	74,221	37,837

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	2024 £000	2023 £000
Assets			
Non-current assets			
Goodwill	10	3,678	3,678
Other intangible assets	11	1,802	2,465
Property, plant and equipment	12	47,806	37,813
Investment property	13	162,368	159,734
Other long-term financial assets	15	2,981	2,626
Defined benefit pension scheme surplus	24	13,644	12,277
Deferred tax assets	23	972	787
Other receivables	18	194	554
Non-current assets		233,445	219,934
Current assets			
Inventories	17	110,188	99,324
Trade and other receivables	18	69,604	71,715
Derivative financial instruments	19	–	209
Other short-term financial assets	15	30,453	10,000
Cash and cash equivalents		81,473	63,091
Current Assets		291,718	244,339
Total assets		525,163	464,273
Liabilities			
Non-current liabilities			
Provisions	20	8,116	10,560
Pension and other employee obligations	24	7,352	6,458
Borrowings	25	12,029	13,959
Corporation tax liabilities	22	5,133	6,744
Deferred tax liabilities	23	22,635	21,560
Other payables and liabilities	22	2,285	3,093
Non-current liabilities		57,550	62,374
Current liabilities			
Trade and other payables	21	64,341	70,540
Current tax liabilities	21	8,727	7,239
Derivative financial instruments	19	592	–
Current liabilities		73,660	77,779
Total liabilities		131,210	140,153
Net assets		393,953	324,120
Equity			
Share capital	27	492	492
Other reserves	28	(783)	(1,680)
Retained earnings	28	393,425	325,394
Equity attributable to owners of the parent		393,134	324,206
Non-controlling interest		819	(86)
Total equity		393,953	324,120

Approved by the Board of Directors on 20 March 2025 and signed on its behalf

C R Dick
Executive Chairman

G D Ashton
Group Finance Director

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

BUSINESS OVERVIEW
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	2024 £000	2023 £000
Cash flows from operating activities		
Operating profit before revaluation of investment property	80,829	62,300
Depreciation, amortisation and impairments	6,816	6,736
Other income/(expense)	303	(997)
Currency revaluation	229	(985)
Operating cash flow before changes in working capital, interest and taxes	88,177	67,054
Increase in inventories	(10,513)	(19,742)
Decrease/(increase) in trade and other receivables	2,535	(12,212)
(Decrease)/increase in trade and other payables	(8,768)	11,158
(Decrease)/increase in provisions	(2,363)	85
Change in derivative financial instruments	801	(164)
Cash flow from changes in working capital	(18,308)	(20,875)
Cash generated from operating activities	69,869	46,179
Interest received	2,945	1,460
Interest paid	(1,069)	(1,040)
Tax paid	(11,511)	(10,428)
Net cash from operating activities	60,234	36,171
Investing activities		
Capital expenditure	(15,600)	(15,362)
Proceeds from disposal of property, plant and equipment	269	1,180
Proceeds from disposal and redemption of non-derivative financial assets	375	188
Purchase of non-derivative financial assets	(383)	(347)
Net cash used in investing activities	(15,339)	(14,341)
Free cash flow	44,895	21,830
Financing activities		
Cash flow from borrowings	(1,930)	(479)
Cash on deposit	(20,453)	(10,000)
Dividends paid	(4,388)	(2,833)
Net cash used in financing activities	(26,771)	(13,312)
Net change in cash and cash equivalents	18,124	8,518
Cash and cash equivalents, beginning of year	63,091	56,455
Exchange differences on cash and cash equivalents	258	(1,882)
Cash and cash equivalents, end of year	81,473	63,091

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital £000	Capital reserve £000	Currency reserve £000	Retained earnings £000	Attributable to owners of the parent £000	Non-controlling interests £000	Total £000
At 1 January 2024	492	3	(1,683)	325,394	324,206	(86)	324,120
Opening balance adjustment	–	–	(36)	36	–	–	–
Adjusted opening balance	492	3	(1,719)	325,430	324,206	(86)	324,120
Profit for the year	–	–	–	71,342	71,342	570	71,912
Other comprehensive income							
Foreign currency translation	–	–	933	–	933	(36)	897
Gain on revaluation of available-for-sale investments, net of deferred tax	–	–	–	266	266	–	266
Actuarial gain on post employment benefit schemes, net of deferred tax	–	–	–	1,146	1,146	–	1,146
Total comprehensive income	–	–	933	72,754	73,687	534	74,221
Dividends	–	–	–	(4,388)	(4,388)	–	(4,388)
Change in partial interest in subsidiary	–	–	–	(371)	(371)	371	–
At 31 December 2024	492	3	(786)	393,425	393,134	819	393,953
At 1 January 2023	492	3	1,807	287,152	289,454	(343)	289,111
Opening balance adjustment	–	–	–	5	5	–	5
Adjusted opening balance	492	3	1,807	287,157	289,459	(343)	289,116
Profit for the year	–	–	–	40,534	40,534	(11)	40,523
Other comprehensive income							
Foreign currency translation	–	–	(3,490)	(50)	(3,540)	50	(3,490)
Gain on revaluation of available-for-sale investments, net of deferred tax	–	–	–	139	139	–	139
Actuarial gain on post employment benefit schemes, net of deferred tax	–	–	–	665	665	–	665
Total comprehensive income	–	–	(3,490)	41,288	37,798	39	37,837
Dividends	–	–	–	(2,833)	(2,833)	–	(2,833)
Change in partial interest in subsidiary	–	–	–	(218)	(218)	218	–
At 31 December 2023	492	3	(1,683)	325,394	324,206	(86)	324,120

PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

The Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the UK ('adopted IFRSs') and comply with IFRSs as issued by the International Accounting Standards Board (IASB).

They are prepared on a historical cost basis, except that assets and liabilities of certain financial instruments, defined benefit pension plans, value of assets acquired in business combinations, available-for-sale assets and investment property are valued at fair value.

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

New and amended standards that became effective during the year

None of the amendments to IFRSs that were issued by the International Accounting Standards Board (IASB), effective for accounting periods that begin 1 January 2024, have had an impact on the Group's reported results.

Standards and amendments issued by the International Accounting Standards Board (IASB) not effective for the current year and not early adopted by the Group

The Group has not early adopted any of the new, but not yet effective, Standards or amendments to existing Standards as published by the IASB. Such standards have not been disclosed as they are not expected to have a material impact on the Group's consolidated financial statements.

Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all its subsidiaries as of 31 December 2024. Subsidiaries are entities controlled by the Group. Subsidiary companies that have an accounting reporting date other than 31 December prepare additional financial statements to 31 December for consolidation purposes. Where necessary, adjustments are made to the financial statements of subsidiaries to bring accounting policies used in line with those used in the Group. All transactions and balances between Group companies are eliminated on consolidation.

Business combinations are accounted for using the acquisition method, as at the acquisition date, being when control is transferred to the Group. Goodwill is measured at the acquisition date as the fair value of consideration transferred less the net recognised amount of the identifiable assets acquired and liabilities assumed.

Where the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquired is added to the fair value of consideration in calculating goodwill. Assets acquired and liabilities assumed are generally measured at their acquisition date fair values.

Transaction costs, other than those associated with the issue of debt or equity securities, which the Group incurs in connection with a business combination, are expensed as incurred.

Foreign currency translation

The consolidated financial statements are presented in currency UK pound sterling, which is also the functional currency of the Parent Company.

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the income statement.

Overseas companies' profits, losses and cash flows are translated at average exchange rates for the year, and assets and liabilities at rates ruling at the balance sheet date. Exchange differences arising on foreign currency net investments are taken to reserves. Exchange differences arising in the normal course of trading are taken to the income statement.

Revenue

Group revenue arises from the sale of various goods and services. It is measured at the fair value of consideration received or receivable, excluding sales taxes and net of returns, trade discounts, penalties and volume rebates. Revenue is recognised when control of the products has transferred to the customer, either at a point in time or over time, when or as the Group satisfies the performance obligations in the contract with the customer by transferring the goods or services to customers.

Details on the Group's main revenue streams are described in detail below.

Product sales:

The Group manufactures and sells a range of electrical products. Revenue is recognised at the point-in-time control of the goods is passed to the customer, which is usually indicated by one of the following factors: physical possession of the goods is taken by the customer, legal title being passed to the customer, or the risks and rewards of ownership being passed to the customer. Revenue is recognised based on the sales price specified in the contract. The sales price is adjusted for any variable consideration, including volume rebates.

Services and consultancy sales:

Revenue from services provided to customers is recognised in the period to which the services are provided. Revenue is measured based on progress towards completion, which is updated as circumstances change.

Long-term projects:

Revenue from sales of long-term and construction projects is reviewed and the relevant performance obligations are identified as being distinct promises to transfer goods or services to the customer. Revenue for each performance obligation is recognised once it has been satisfied. For long-term construction contracts, revenue is typically recognised over the life of the contract by measuring progress towards the completion of each performance obligation. Such measurements are regularly reviewed throughout the life of the contract, with any resulting increase or decrease in revenue reflected in profit and loss in the period in which such changes are identified.

Property development sales:

Revenue from the sale of residential properties is recognised when the risks and rewards have been transferred to the customer and Lucy no longer has any managerial role over the properties to be sold. This usually occurs on the passing of the legal title to the customer. Revenue is only recognised over time, rather than at the point in time when control is passed, in circumstances where the development has no alternative use to the Group and the Group has a right to payment from the customer for the work completed to date. Revenue is measured at the transaction price as agreed in the contract.

Rental income:

The Group earns rental income from the operating leases of its investment properties. Rental income under an operating lease is recognised on a straight-line basis over the lease term at amounts stipulated in the contract with the customer.

Royalty income:

Revenue from royalty income related to the licensing of intellectual property is recognised once the associated sale has occurred.

Warranties:

Warranties are commonly provided to customers as part of the sales contract. An assessment of warranties is made to determine whether it is a service warranty (and, therefore, accounted for under IFRS 15) or an assurance warranty (and, therefore, accounted for as a provision under IAS 37) based on whether the warranty is required by law, the length of the warranty cover period and the nature of the work promised to be performed by the Group. The majority of the Group's warranties are assurance warranties, which are provided for in accordance with IAS 37 Provisions.

Costs to obtain contracts:

The Group recognises the incremental costs of obtaining a contract with a customer as an asset if it expects to recover those costs.

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

Costs to fulfil contracts:

If the costs incurred in fulfilling a contract with a customer are not in the scope of other guidance, for example inventory, intangible assets or property, plant and equipment, then the Group recognises the costs to fulfil the contract as an asset if the fulfilment costs meet the capitalisation criteria.

Practical expedients:

The Group has elected to make use of the following practical expedients available in IFRS 15:

- Contract costs incurred relating to contracts with an amortisation period of less than one year have been expensed as incurred
- Not to disclose information about remaining performance obligations that have expected durations of less than one year, including amounts of transaction price allocated to remaining performance obligations

Operating expenses

Operating expenses are recognised in the income statement as incurred and are classified according to their nature.

Cost of sales comprises material, labour, manufacturing and service expenses, subcontract services, installation, commissioning, warranty and rectification costs.

Expenditure for warranties is recognised when the Group incurs an obligation, which is typically when the related goods are sold.

Selling and distribution expenses include logistics, information systems, contract engineering, selling and marketing expenses.

Research and development expenditure comprises all product design and development costs.

Administration expenses comprise finance, legal and human resources expenses together with the costs of each business's Head and the Board.

Borrowing costs

Interest costs that are directly attributable to the development of investment properties are capitalised as part of the cost of those assets. Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare

the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and included in finance costs.

Goodwill

Goodwill represents the future economic benefits arising from a business combination, which are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

Goodwill is assessed for impairment annually or as a relevant triggering event occurs. For impairment testing purposes, goodwill is allocated to those cash-generating units that are expected to benefit from the synergies of the combination.

Goodwill is impaired when its carrying amount exceeds its recoverable amount, the recoverable amount being the higher of the value in use and the fair value less cost to sell.

Goodwill arising on acquisition prior to 31 December 1998 has been written off to consolidated reserves. The cumulative amount of positive goodwill written off is £2,891k.

On disposal of a business, the gain or loss on disposal includes the goodwill previously written off on acquisition.

Impairment losses are recognised in the income statement.

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.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset and is recognised in the income statement within other income or other expenses.

At each reporting date, the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset, which is the higher of its fair value less costs to sell and its value in use, is determined. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Research and development costs

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 are satisfied:

- It is technically feasible that the development can be completed, and the resulting intangible asset will be available for use or sale.
- The intention is to complete the development and use or sell the resulting intangible asset.
- It is possible to use or sell the intangible asset.
- 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 two years.
- The cost of development of the intangible asset is greater than £500k.

Development costs that do not meet these criteria for capitalisation are expensed as incurred.

Property, plant and equipment

Property, plant and equipment is carried at cost, less any accumulated depreciation and accumulated impairment losses. Cost includes purchase price and construction costs, together with borrowing costs for qualifying assets. Depreciation of these assets commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost, less estimated residual value, over their estimated useful lives, using the straight-line method, for the following class of assets:

- | | |
|--------------------------|---|
| • Freehold buildings | Straight line over expected useful life |
| • Leasehold premises | Term of the lease, not exceeding 50 years |
| • Leasehold improvements | Not exceeding the term of the lease |
| • Plant and equipment | 4–15 years |
| • Fixtures and fittings | 3–10 years |
| • Computer equipment | 4–5 years |
| • Computer software | 3 years |
| • Motor vehicles | 4 years |

The estimated useful lives of property, plant and equipment and their residual values are reviewed on an annual basis and, if necessary, changes in useful lives are accounted for prospectively. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement for the relevant period.

At each reporting date, the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined, which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Assets under £1k (or foreign currency equivalent) are expensed as incurred.

Leases

The Group 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 Group's 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 Group 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 or leases in which 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.

Investment property

Investment property is valued annually and is included in the financial statements at fair value after taking appropriate professional advice. Changes in fair value are recognised in the income statement.

No depreciation is provided in respect of investment property.

Financial instruments

Financial assets and liabilities are recognised in the balance sheet when the Group becomes party to the contractual provisions of the instrument.

The Group classifies financial assets into one of three categories: i) amortised cost; ii) fair value through Other Comprehensive Income (FVOCI); and iii) fair value through profit or loss (FVTPL). The Group's business model for managing the assets and their cash flows determines which classification is applied to each financial asset. Assets held under the 'held to collect' business model are classified at amortised cost, and those 'held to collect and for sale' at FVOCI and assets held under any other business model to the above are classified at FVTPL. The following table shows the classification of the common assets held by the Group:

Financial asset	Classification
Cash and cash equivalents	Amortised cost
Trade and other receivables	Amortised cost
Interest bearing loans and borrowings	Amortised cost
Other long-term financial assets	FVOCI

Upon adoption of IFRS 9, the Group made an irrevocable election to classify marketable security investments as FVOCI, as they are held as strategic investments rather than held for trading.

Financial assets classified at FVOCI are initially recognised at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising on changes in fair value being recognised in Other Comprehensive Income.

Financial assets classified at FVTPL are initially and subsequently measured at fair value, with gains and losses arising on changes in fair value being recognised in the income statement.

Financial assets held at amortised cost are initially measured at fair value, subsequently measured at amortised cost less any impairment. A loss allowance is recognised for assets measured at amortised cost. Impairment is measured at an amount equal to the 12-month expected credit losses, lifetime expected credit losses, or any changes in expected credit losses, depending on the nature of the asset.

Trade receivables

Trade and other receivables are a financial asset and are recognised when the Group becomes party to the contractual benefit of the asset. Trade receivables are generally categorised as being held at amortised cost under the criteria of IFRS 9. They are initially measured at fair value and subsequently measured at amortised cost less any impairment.

The Group recognises a loss allowance at an amount equal to the expected lifetime credit losses if they are short term.

Trade and other receivables are assessed by the Group at initial recognition and the expected lifetime credit loss provided for based on current available data, such as customer payment history, and forward-looking data, such as the current economic environment.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Subsequently, they are carried at amortised cost. Any difference between the proceeds and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Investments

Other investments are measured at cost and are subject to impairment. Investments in equity securities are classified as available-for-sale financial assets and are initially measured at cost, which is considered to equal fair value. Subsequently, such investments are measured at fair value and changes therein are recognised in Other Comprehensive Income.

Trade payables

Trade payables are measured at fair value and are subsequently measured at amortised cost using the effective interest method.

Derivative financial instruments

The Group operates a centralised treasury function, which is responsible for managing liquidity, interest, commodity and foreign currency risks. As part of its strategy for the management of these risks, the Group uses financial derivatives in accordance with the Group Treasury Policy.

The Group uses derivative financial instruments, currency and commodity (copper) swaps to manage currency and commodity risks associated with the Group's underlying business activities and the financing of these activities.

The Group does not undertake any speculative activity, in accordance with the Group Treasury Policy.

Recognition and measurement

All derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Derivative financial instruments are formally documented at the initial designation of the hedge, the documentation describes the relationship between the hedged item and hedging instrument, risk management strategy and the method for assessing hedge effectiveness.

Cash flow hedging

Derivative financial instruments classified as cash flow hedges are those that hedge the Group's variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction. These include commodity (copper) swaps and foreign currency exchange forwards and swaps.

Risk management policies

Foreign currency risks

Foreign currency transaction risks arise because the Group sells and purchases in foreign currencies. The Group's policy is to partially hedge its forecasted net currency exposure using forward currency contracts to protect forecast gross margins 15 months ahead.

Commodity risk

Commodity cost risk arises on base metals used in the Group's electrical businesses. This risk is addressed, wherever possible, by increasing customer prices through contract variation clauses and by entering into financial instruments on commodities.

Interest rate risk

Interest rate risk arises on the Group's variable rate borrowings. If deemed necessary, the treasury policy allows forward cover up to a maximum of 60% of total borrowings for periods of up to five years. This does not eliminate the risk but provides some certainty.

Non-current assets held for sale

Non-current assets or disposal groups comprising assets and liabilities that are highly probable to be recovered primarily through sale or distribution rather than through continuing use are classified as held for sale.

Immediately before classification as held for sale, the assets or components of a disposal group are remeasured in accordance with the Group's other accounting policies.

Thereafter, generally, the assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell.

Financial assets and financial liabilities are recognised when the Group becomes party to the contractual provisions of the instrument.

Inventories

Inventories are valued at the lower of cost and net realisable value.

Work in progress, including long-term contracts and goods for resale, include attributable overheads.

Net realisable value is the estimated selling price reduced by all costs of completion, marketing and distribution.

Residential trading properties are carried in the statement of financial position at the lower of cost and net realisable value. In assessing net realisable value, the Group uses valuations carried out by its own in-house surveying team based on information supplied by local property consultants.

Taxation

The tax expense represents the sum of current and deferred taxes recognised in the financial year. Current tax payable or recoverable is based on the taxable profit for the period. Taxable profits differ from profit reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current tax is based on the results shown in the financial statements and is calculated using the tax rates and laws that have been enacted, or substantively enacted, by the reporting period date.

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all, or part, of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. The rate is based on tax rates that have been enacted, or substantively enacted, by the reporting date. Deferred tax is charged or credited in the income statement, except where it relates to items charged or credited in Other Comprehensive Income or in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities, and the deferred taxes relates to the income taxes levied in the same taxation authority on either the same entity or on different taxable entities, which intend to settle the current tax assets and liabilities on a net basis.

Government grants

Government grants are initially recognised in the statement of financial position as deferred income, or for grants related to assets only, by deducting the grant in arriving at the carrying amount of the assets when there is reasonable assurance that the entity will comply with the relevant conditions and the grant will be received.

Subsequently, deferred income is released to the income statement on a systematic basis as the cost that the grant is intended to compensate is expensed.

The Group has elected to take advantage of the research and development expenditure credit (RDEC) introduced in the Finance Act 2013 in the UK. The credit is used to discharge the corporation tax liability for the Company in the period and, if there is a remainder, it can be surrendered to another Group company. The Group recognises research and development expenditure credit as an item of other income, taking advantage of the 'above the line' presentation.

Cash

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months. Short-term, highly liquid investments are measured at fair value.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts, which are repayable on demand and form an integral part of the Group's cash management, are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Equity and reserves

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

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

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

Post-employment benefits

The Group provides post-employment benefits through various defined contribution and defined benefit plans.

In the United Kingdom, the Group operates a pension scheme providing benefits based on final pensionable pay for eligible employees, who joined on, or before, 10 April 2002. The pension cost of the defined benefit scheme is charged to the income statement so as to spread the cost of pensions over employees' working lives with the Group.

Defined contribution schemes include a Group Personal Pension plan, including auto enrolment. The pension costs of these schemes are charged as incurred.

Employee benefits are provided elsewhere in the Group through defined benefit and defined contribution schemes, in accordance with local labour laws.

Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Significant management judgement

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Revenue recognition

IFRS 15 requires significant judgements and estimates related to determining performance obligations within contracts with customers. Assumptions are also required in relation to determining appropriate measures of progress towards completion and how and when control of goods or services is transferred to the customer.

Development expenditure

Distinguishing the research and development phases of internally generated assets, and determining whether the recognition requirements for the capitalisation of development costs are met, requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

Taxation

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards 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.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of non-financial assets and goodwill

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and equipment.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Defined benefit obligation

Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the defined benefit obligation amount and the annual defined benefit expenses.

Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case, management uses the best information available.

Investment properties are valued using professional advice.

1. Accounting policies and presentation

Basis of preparation

The Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the UK ('adopted IFRSs') and comply with IFRSs as issued by the International Accounting Standards Board (IASB).

New and amended standards that became effective during the year

None of the amendments to IFRSs that were issued by the International Accounting Standards Board effective for accounting periods that begin 1 January 2024 have had an impact on the Group's reported results.

Standards and amendments issued by the International Accounting Standards Board (IASB) not effective for the current year and not early adopted by the Group

The Group has not early adopted any of the new, but not yet effective, Standards or amendments to existing Standards as published by the International Accounting Standards Board (IASB). Such standards have not been disclosed as they are not expected to have a material impact on the Group's consolidated financial statements.

2. Profit for the financial year

The Group profit for the year after taxation includes a profit of £45.4m (2023: £38.0m), which is dealt with in the financial statements of the Company.

3. Analysis of turnover and profit between activities and markets

The total turnover of the Group was £409.3m (2023: £359.1m) of which £10.5m (2023: £9.4m) related to UK exports. In the opinion of the Directors, it would be prejudicial to the interests of the Group to disclose a detailed analysis of turnover or profit.

	2024 £000	2023 £000
Revenue from contracts with customers	409,331	359,124

a) Contract assets and liabilities

Contract assets/liabilities relate to the Group's rights of consideration for services provided on contracts. There were no contract assets at 31 December 2024 (2023: nil).

	2024 £000	2023 £000
Contract liabilities – customer advances	4,344	5,853
Contract liabilities – deferred income	2,202	1,944
Total contract liabilities	6,546	7,797

b) Revenue recognised in relation to contract liabilities

Revenue was recognised in the current reporting period relating to carried forward contract liabilities as below:

	2024 £000	2023 £000
Contract liabilities – customer advances	4,926	4,810
Contract liabilities – deferred income	1,443	693
	6,369	5,503

4. Operating profit

	2024 £000	2023 £000
a) Operating profit is stated after charging:		
Depreciation of tangible fixed assets	5,987	5,936
Amortisation of intangible fixed assets	829	800
Loss/(gain) on disposal of fixed assets	165	(205)
Operating lease rentals		
Plant and machinery	160	126
Land and buildings	750	651
Research and development	13,045	9,796
Directors' remuneration (see Note 31)	2,024	1,973
Hire of plant	118	154
b) Operating profit is stated after crediting:		
Rental income	9,883	9,090
Less related expenses	(4,497)	(3,717)
	5,386	5,373
Gain/(loss) on translation of foreign currency	235	(1,694)
c) Auditors' remuneration		
Audit of these financial statements	39	36
Audit of financial statements of subsidiaries	216	182
Total audit fee	255	218
Amounts received by auditors and subsidiary auditors in respect of other services	66	84
Fees in respect of and borne by the W Lucy Pension scheme	6	6

5. Employee remuneration

Expenses recognised for employee benefits are analysed below:

	2024 £000	2023 £000
Wages and salaries	60,619	54,459
Social security costs	3,889	3,480
Pension costs	3,708	3,152
	68,216	61,091

The average number of permanent employees during the year was 1,802 (2023: 1,679) of which 181 were administrative (2023: 179).

6. Finance income and costs

	2024 £000	2023 £000
Finance income		
Pension finance income	768	737
Income from investments	42	33
Interest received	2,945	1,460
Other income	–	84
	3,755	2,314
Finance costs		
Bank interest	1,069	1,040
Lease interest	273	313
Foreign currency losses	328	537
Tax penalties	65	74
Other expense	–	712
	1,735	2,676

7. Tax on profit on ordinary activities

	2024 £000	2023 £000
Current tax		
Current year UK tax	7,229	5,046
Current year overseas tax	6,456	3,765
Current year tax charge	13,685	8,811
Adjustments in respect of prior periods	(1,321)	10,762
Total current tax	12,364	19,573
Deferred tax		
Origination and reversal of timing differences	673	1,016
Adjustments in respect of prior periods	160	(766)
Impact of rate change	–	(42)
Derecognition/(recognition) of previously recognised/(unrecognised) deferred tax assets	101	(816)
Total deferred tax charge/(credit)	934	(608)
Total tax on profit on ordinary activities	13,298	18,965

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

	2024 £000	2023 £000
Profit on continuing activities before tax	85,210	59,488
Tax charge at average UK Corporation Tax rate of 25% (2023: 23.5%)	21,303	13,980
Adjustments in respect of prior periods	(1,161)	9,995
Remeasurement of deferred tax due to rate change	–	(42)
Different tax rates applied in overseas jurisdictions	(5,690)	(6,322)
Expenses not deductible	759	2,391
Derecognition/(recognition) of previously recognised/(unrecognised) deferred tax assets	101	(815)
Income not taxable	(978)	(567)
Losses not recognised for deferred tax	(950)	346
Deferred tax not recognised	250	(429)
Other	(336)	428
Group current tax charge for the period	13,298	18,965

7. Tax on profit on ordinary activities continued

Factors affecting future tax charges

At the balance sheet date, the Group has unused tax losses of £14.9m (2023: £23.2m) available for offset against future taxable profits. A deferred tax asset has been recognised on £19k (2023: £3.0m) of these losses as it is considered probable that there will be future taxable profits available in the Group. Deferred tax assets have not been recognised on £14.9m (2023: £20.2m) of these losses because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

Estimates and assumptions, including uncertainty over income tax treatments

The Group is subject to income tax in several jurisdictions and significant judgement is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Group recognises tax liabilities based on estimates of whether additional taxes will be due.

These tax liabilities are recognised when, despite the Group's belief that its tax return positions are supportable, the Group believes it is probable that a taxation authority would not accept its filing position. In these cases, the Group records its tax balances based on either the most likely amount or the expected value, which weights multiple potential scenarios. The Group believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors, including past experience and interpretations of tax law.

Uncertain tax positions of £0.2m exist as at 31 December 2024 (2023: £0.2m). This assessment relies on estimates and assumptions and may involve a series of complex judgements about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

8. Earnings per share

The earnings per share have been calculated using the profit attributable to shareholders of Lucy Group Ltd as the numerator. This has been adjusted by a profit of £570k in 2024 (2023: £11k loss) to remove the profit attributable to the non-controlling interest.

	2024 £000	2023 £000
Profit on ordinary activities after taxation attributable to Lucy Group Ltd shareholders	71,342	40,534
Weighted average number of shares (000s)	492	492
Earnings per share	14,504p	8,241p

9. Dividends

	2024 £000	2023 £000
Amounts recognised as distributions to shareholders in the year:		
Final dividend for the year to 31 December 2023: 170p (2022: 160p) per share	836	787
Interim dividend for the year to 31 December 2024: 122p (2023: 116p) per share	600	571
Special dividend for the year to 31 December 2024: 600p (2023: 300p) per share	2,952	1,475
	4,388	2,833
Proposed final dividend for the year to 31 December 2024: 179p (2023: 170p) per share	880	836

10. Goodwill

The movements in the net carrying amount of goodwill are as follows:

	2024 £000	2023 £000
Gross carrying amount		
Balance 1 January	3,678	3,678
Addition	–	–
Write-off	–	–
Balance 31 December	3,678	3,678

Impairment of goodwill

Goodwill arising on business combinations is not amortised but is reviewed on an annual basis, or when there is an indicator that goodwill has been impaired. Goodwill acquired in a business combination is allocated to a cash-generating unit according to the level at which goodwill is monitored by management.

Recoverable amounts are based on value in use, which are calculated from cash flow projections using information from the Group's latest medium-term plans, which are reviewed by the Directors. The medium-term plans cover a five-year period; the growth rate used to extrapolate beyond the medium-term plans is zero.

The key assumption used in the value in use calculations is the discount rate. Discount rates have been estimated based on current market assessment of the time value of money as well as future expectations for changes in market conditions.

Impairment reviews were performed as at the year-end by comparing the carrying amount of goodwill to the recoverable amount of each asset. The review resulted in no changes in the year (2023: no changes).

The components of goodwill are:

	2024 £000	2023 £000
Flashnet SA	3,164	3,164
Lucy Equipamentos Eletricos Ltda	352	352
Lucy Electric Gridkey Ltd	162	162
	3,678	3,678

11. Other intangible assets

	Licences and software £000	Product development £000	Total £000
Gross carrying amount			
At 1 January 2023	4,889	3,669	8,558
Additions	113	–	113
Disposals	(528)	(18)	(546)
Translation differences	(36)	(18)	(54)
At 1 January 2024	4,438	3,633	8,071
Additions	12	–	12
Disposals	(87)	–	(87)
Translation differences	(4)	(37)	(41)
At 31 December 2024	4,359	3,596	7,955
Amortisation			
At 1 January 2023	4,718	658	5,376
Charge for year	83	717	800
Disposals	(528)	(2)	(530)
Translation differences	(36)	(4)	(40)
At 1 January 2024	4,237	1,369	5,606
Charge for year	78	751	829
Disposals	(13)	(53)	(66)
Translation differences	(4)	(212)	(216)
At 31 December 2024	4,298	1,855	6,153
Net book value			
At 31 December 2024	61	1,741	1,802
At 31 December 2023	201	2,264	2,465
At 31 December 2022	171	3,011	3,182

12. Property, plant and equipment

	Land and buildings £000	Plant and equipment £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost or valuation					
At 1 January 2023	30,466	41,409	17,369	4,566	93,810
Right-of-use asset additions	661	–	–	797	1,458
Additions	8,037	3,467	1,174	269	12,947
Disposals	(260)	(615)	(512)	(394)	(1,781)
Translation differences	(1,082)	(1,691)	(547)	(102)	(3,422)
At 1 January 2024	37,822	42,570	17,484	5,136	103,012
Right-of-use asset additions	616	–	–	557	1,173
Additions	6,006	7,664	1,058	527	15,255
Disposals	(263)	(1,165)	(951)	(359)	(2,738)
Translation differences	85	199	38	29	351
At 31 December 2024	44,266	49,268	17,629	5,890	117,053
Depreciation					
At 1 January 2023	13,068	31,840	15,288	2,769	62,965
Charge for year	1,536	2,390	1,317	693	5,936
Disposals	(205)	(515)	(501)	(300)	(1,521)
Translation differences	(468)	(1,219)	(425)	(69)	(2,181)
At 1 January 2024	13,931	32,496	15,679	3,093	65,199
Charge for year	1,536	2,352	1,324	775	5,987
Disposals	(263)	(895)	(871)	(275)	(2,304)
Translation differences	43	245	56	21	365
At 31 December 2024	15,247	34,198	16,188	3,614	69,247
Net book value					
At 31 December 2024	29,019	15,070	1,441	2,276	47,806
At 31 December 2023	23,891	10,074	1,805	2,043	37,813
At 31 December 2022	17,398	9,569	2,081	1,797	30,845

13. Investment property

Investment property includes residential, commercial, industrial and agricultural properties in the UK, which are owned, managed and let to earn rentals and for capital appreciation.

Note 26 'Financial instruments' sets out how the fair value of the investment properties has been determined.

Changes to the carrying amounts are as follows:

	2024 £000	2023 £000
Carrying amount 1 January	159,734	160,597
Additions	333	2,302
Write-off of construction costs and professional fees	(60)	–
Disposals	–	(715)
Valuation gain/(loss)	2,361	(2,450)
Carrying amount 31 December	162,368	159,734

Freehold land and buildings valued by HSBC at £53.5m in 2020 have been charged to secure borrowings of the Company (see Note 25).

14. Right-of-use assets

a) The Group leases a number of fixed assets, and property, plant and equipment (Note 12) includes £3.2m right-of-use assets that are leased. Details are shown below:

	Property £000	Vehicles £000	Machinery & equipment £000	Total £000
Right-of-use assets				
Cost				
At 1 January 2024	7,812	2,096	634	10,542
Additions	616	557	–	1,173
Disposals	(448)	(232)	–	(680)
Translation differences	(52)	37	–	(15)
At 31 December 2024	7,928	2,458	634	11,020
Depreciation				
At 1 January 2024	5,090	847	634	6,571
Depreciation charge for the year	1,343	430	–	1,773
Disposals	(382)	(148)	–	(530)
Translation differences	16	(53)	–	(37)
At 31 December 2024	6,067	1,076	634	7,777
Net book value				
At 31 December 2024	1,861	1,382	–	3,243
At 31 December 2023	2,722	1,249	–	3,971

b) Lease liabilities

	2024 £000	2023 £000
Maturity analysis – undiscounted cash flows		
Less than one year	1,578	1,913
One-to-five years	1,401	1,689
More than five years	404	820
	3,383	4,422
Lease liabilities – discounted value of lease payments		
Current	1,525	1,453
Non-current	1,291	2,152
	2,816	3,605

c) Amounts recognised in the Income Statement

	2024 £000	2023 £000
Interest on leased right-of-use assets	273	313

15. Other financial assets

	2024 £000	2023 £000
Non-current:		
Equities, other quoted investments and bonds	2,981	2,626

Quoted investments are measured at fair value through Other Comprehensive Income.

	2024 £000	2023 £000
Current:		
Deposits over 90 days	30,453	10,000

At 31 December 2024, there were four deposits held with two separate investment grade banks (2023: one deposit with one investment grade bank).

16. Principal Group undertakings

Company	Country of incorporation	Principal activity	Proportion of ownership interests held by the Group at year end	
			2024 %	2023 %
Lucy Electric UK Limited	England	Manufacture and sale of switchgear	100	100
Lucy Zodion Limited	England	Design, development, manufacture and sale of lighting products	100	100
Lucy Electric (EMS) Limited	England	Switchgear product design, development and management services	100	100
Lucy Developments Limited	England	Property development	100	100
Lucy Electric Gridkey Limited	England	Supply of switchgear monitoring systems and services	100	100
Lawson Fuses Limited	England	Design, development, manufacture and sale of fuses	100	100
Lucy Electric Australasia Pty Ltd	Australia	Marketing and sale of switchgear	100	100
Lucy Equipamentos Eletricos Ltda	Brazil	Manufacture and sale of switchgear	100	100
Lucy Electric Beijing Company Limited	China	Marketing of switchgear	100	100
Lucy Electric India (Private) Limited	India	Manufacture and sale of switchgear	100	100
Lucy Electric Manufacturing and Technologies India (Private) Limited	India	Manufacture of switchgear and lighting products	100	100
Lawson Lucy India (Private) Limited	India	Manufacture and sale of fuses	100	100
Lucy Asia Pacific SDN BHD	Malaysia	Marketing and sale of switchgear	100	100
Flashnet SA	Romania	Design, development, manufacture and sale of smart lighting and smart city control systems	80	80
Lucy Switchgear Arabia Company Limited	Saudi Arabia	Manufacture and sale of switchgear	100	100
Lucy Electric MENA Regional Headquarters	Saudi Arabia	Regional headquarters for Middle East and North Africa	100	100
Lucy Electric South Africa Pty Limited	South Africa	Marketing and sale of switchgear	75	75
Lucy Electric (Thailand) Limited	Thailand	Manufacture and sale of switchgear	100	100
Lucy Switchgear FZE	UAE	Manufacture of switchgear	100	100
Lucy Middle East FZE	UAE	Marketing and sale of switchgear	100	100

17. Inventories

	2024 £000	2023 £000
Raw materials and components	61,984	55,932
Work in progress	1,816	816
Finished goods	17,259	15,381
Development land and buildings:		
Land	1,817	4,106
Developments in progress	21,467	20,948
Finished properties for sale	5,845	2,141
	110,188	99,324

18. Trade and other receivables

	2024 £000	2023 £000
Current receivables		
Trade receivables	53,579	55,031
Rent receivables	77	35
Advances to suppliers	1,586	1,681
Corporation tax receivable	134	495
Prepayments and accrued income	7,801	8,156
Other receivables	6,427	6,317
Total current receivables	69,604	71,715
Non-current receivables		
Other receivables	194	554
Total non-current receivables	194	554
Total receivables	69,798	72,269

19. Derivative financial instruments

	2024		2023	
	Asset £000	Liability £000	Asset £000	Liability £000
Designated hedge relationships:				
Foreign exchange contracts	-	87	56	-
Commodity contracts	-	505	153	-
	-	592	209	-

These amounts are included within the disclosure in note 26 - Financial instruments and risk management.

20. Provisions

The carrying amounts and the movements in the provision account are as follows:

	Restructuring costs £000	Warranty provision £000	Other £000	Total £000
Carrying amount 1 January 2024	2,238	6,037	2,285	10,560
Provided in year	–	7,903	51	7,954
Released in year	(2,101)	–	(1,651)	(3,752)
Charge in year	(2)	(6,531)	(113)	(6,646)
Carrying amount 31 December 2024	135	7,409	572	8,116

21. Trade and other payables – current

	2024 £000	2023 £000
Trade payables	37,589	42,629
Accruals and deferred income	20,379	21,819
Loans repayable within one year	–	286
Right-of-use assets within one year	1,525	1,453
Other payables	4,848	4,353
	64,341	70,540
Corporation tax payable	5,798	3,847
Social security and other taxes	2,929	3,392
	8,727	7,239

22. Trade and other payables – non-current

	2024 £000	2023 £000
Right-of-use assets more than one year	1,291	2,152
Customer advances	563	563
Deferred income	431	378
Corporation tax payable	5,133	6,744
	7,418	9,837

23. Deferred tax

Deferred taxes arising from temporary differences and unused tax losses are summarised as follows:

	Net asset/ (liability) 2024 £000	Net asset/ (liability) 2023 £000
Investment properties	(21,855)	(21,293)
Fixed asset temporary differences	(678)	(1,150)
Losses and other deductions	5	579
Other temporary differences	865	1,091
	(21,663)	(20,773)

The presentation in the statement of financial position takes into account the offsetting of deferred tax assets and liabilities within the same tax jurisdiction, where this is permitted. The overall deferred tax position in a particular jurisdiction determines if a balance related to that jurisdiction is presented within deferred tax assets or liabilities. The presentation of deferred tax assets and liabilities in the statement of financial position is as below.

	2024 £000	2023 £000
Deferred tax asset	972	787
Deferred tax liability	(22,635)	(21,560)
Net liability	(21,663)	(20,773)

24. Pensions

Lucy Group Limited (the Company) operates a defined benefit pension arrangement called the W Lucy Pension Scheme (the Scheme). The Scheme provides benefits based on final salary and length of service on retirement, leaving service or death. In addition, the Company operates unfunded unapproved retirement benefits arrangements (UURBs) for certain employees. The details below relate to the cost and liabilities of the W Lucy Scheme and the defined benefit UURBs in aggregate, and to the assets of the W Lucy Pension Scheme. No allowance has been made in these disclosures for any defined contribution pension arrangements the Company may have. The value of the liabilities as at 31 December 2024 in respect of the defined benefit UURBs was approximately £1,044k, compared to £771k as at 31 December 2023. This increase in the UURBs liability is predominately a result of the increase in pensionable salary for the member with this benefit.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process the Company must agree with the Trustees of the Scheme the contributions to be paid to meet the Statutory Funding Objective. The future contributions required to meet the Statutory Funding Objective do not currently affect the balance sheet of the Scheme in these accounts.

The most recent comprehensive actuarial valuation of the Scheme was carried out as at 6 April 2023 and the next valuation of the Scheme is due as at 6 April 2026. In the event that future valuations reveal a worse position than expected, the Company may be required to increase contributions above those set out in the existing Schedule of Contributions. Conversely, if the position is better than expected, it is possible that contributions may be reduced.

The Company expects to pay contributions of £150k for expenses plus 21.5% of Pensionable Salaries for the accrual of new benefits to the Scheme in the year to 31 December 2025.

The Scheme is managed by a board of Trustees appointed in part by the Company and in part from elections by members of the Scheme. The Trustees have responsibility for obtaining valuations of the fund, administering benefit payments and investing the Scheme's assets. The Trustees delegate some of these functions to their professional advisers where appropriate.

24. Pensions continued

The Scheme and UURBs arrangement expose the Company to a number of risks:

- **Investment risk.** The Scheme holds investments in asset classes, such as equities, which have volatile market values and, while these assets are expected to provide real returns over the long term, the short-term volatility can cause additional funding to be required if deficits emerge.
- **Interest rate risk.** The Scheme's liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the Scheme holds assets such as equities, the value of the assets and liabilities may not move in the same way.
- **Inflation risk.** A significant proportion of the benefits due under the Scheme are linked to inflation. Although the Scheme's assets are expected to provide a good hedge against inflation over the long term, movements over the short term could lead to deficits emerging.
- **Mortality risk.** In the event that members live longer than assumed, deficits may emerge in the Scheme.
- **Member options.** Certain benefit options may be exercised by members without requiring the consent of the Trustees or the Company, for example exchanging pension for cash at retirement. In this example, if fewer members than expected exchange pension for cash at retirement then a funding strain will emerge.

A discretionary pension increase for members meeting certain criteria was agreed during the period. There were no other amendments, curtailments or settlements during the period.

The weighted average duration of the defined benefit obligation is 12 years.

Disclosures

Figures for disclosure in accounts for the period ending 31 December 2024 under IAS19. Results are shown in pounds, rounded to the nearest £1k.

Principal actuarial assumptions	At 31 Dec 2024	At 31 Dec 2023
Discount rate	5.40% p.a.	4.70% p.a.
Inflation (RPI)	3.25% p.a.	3.15% p.a.
Inflation (CPI)	2.80% p.a.	2.75% p.a.
Salary increases	3.25% p.a.	3.15% p.a.
Pension increase (RPI max 5% p.a.)	3.15% p.a.	3.00% p.a.
Pension increase (RPI max 2.5% p.a.)	2.15% p.a.	2.05% p.a.
Pension increase (CPI max 3% p.a.)	2.25% p.a.	2.15% p.a.
Post retirement mortality	117% of the S3PA tables with CMI 2023 projections using a long-term improvement rate of 1.25% p.a. The initial addition parameter is 0% p.a. the 2020 and 2021 weight parameters are 0% and the 2022 and 2023 weight parameters are 15%	117% of the S3PA tables with CMI 2022 projections using a long-term improvement rate of 1.25% p.a. The initial addition parameter is 0% p.a., the 2020 and 2021 weight parameters are 0% and the 2022 weight parameter is 25%
Commutation	Members are assumed to take 25% of their pension as tax-free cash	Members are assumed to take 25% of their pension as tax-free cash
Proportion married	75%	75%
GMP equalisation allowance	1.7% of liabilities for current Scheme members plus £40,000 for historic transfers out	1.7% of liabilities for current Scheme members plus £40,000 for historic transfers out
Life expectancy at age 65 of male aged 45	21.5	21.6
Life expectancy at age 65 of male aged 65	20.3	20.3
Life expectancy at age 65 of female aged 45	24.3	24.2
Life expectancy at age 65 of female aged 65	22.9	22.8

24. Pensions continued

	Bid values as at 31 Dec 2024 £000
The current asset split is as follows:	
Equities	18,703
Target Return	1,179
Corporate bonds	19,324
Index Linked Gilts	15,090
Gilts	9,330
Cash	503
Total assets	64,129

	At 31 Dec 2024 £000	At 31 Dec 2023 £000
Balance sheet		
Fair value of assets	64,129	65,665
Present value of funded obligations	(45,937)	(49,295)
Surplus in scheme	18,192	16,370
Deferred tax	(4,548)	(4,093)
Net defined benefit asset	13,644	12,277

	Period to 31 Dec 2024 £000	Period to 31 Dec 2023 £000
Amount recognised in Profit and Loss		
Current service cost	379	369
Administration costs	501	223
Interest on liabilities	2,248	2,338
Interest on assets	(3,016)	(3,075)
Past service costs	143	-
Settlement and curtailment cost	-	-
Total charge/(credit) to Profit and Loss	255	(145)

	Period to 31 Dec 2024 £000	Period to 31 Dec 2023 £000
Remeasurements over the period		
Loss/(gain) on assets in excess of interest	1,542	(1,532)
Experience losses on liabilities	137	868
(Gains) from changes to demographic assumptions	(95)	(1,766)
(Gains)/losses from changes to financial assumptions	(3,209)	1,485
Total remeasurements	(1,625)	(945)

	Period to 31 Dec 2024 £000	Period to 31 Dec 2023 £000
Change in value of the assets		
Fair value of assets at start of period	65,665	63,169
Interest on assets	3,016	3,075
Employer contributions	452	548
Contributions by Scheme participants	96	95
Benefits paid	(3,057)	(2,531)
Administration costs	(501)	(223)
Change due to settlements and curtailments	-	-
Return on assets less interest	(1,542)	1,532
Fair value of assets at end of period	64,129	65,665
Actual return on assets	1,474	

24. Pensions continued

	Period to 31 Dec 2024 £000	Period to 31 Dec 2023 £000
Change in value of the DB liabilities		
Defined benefit obligation at start of period	49,295	48,437
Current service cost	379	369
Contributions by Scheme participants	96	95
Past service costs	143	–
Interest on liabilities	2,248	2,338
Benefits paid	(3,057)	(2,531)
Change due to settlements and curtailments	–	–
Experience loss on liabilities	137	868
Changes to demographic assumptions	(95)	(1,766)
Changes to financial assumptions	(3,209)	1,485
Defined benefit obligation at end of period	45,937	49,295

	Period to 31 Dec 2024 £000	Period to 31 Dec 2023 £000
Reconciliation of net defined benefit liability/(asset)		
Net defined benefit liability/(asset) at start of period	(16,370)	(14,732)
Current service cost	379	369
Past service cost & settlement and curtailment cost	143	–
Net interest expense (income)	(768)	(737)
Remeasurements	(1,625)	(945)
Administration costs	501	223
Employer contributions	(452)	(548)
Net defined benefit liability/(asset) at end of period	(18,192)	(16,370)

	Approximate effect on liability £000
Sensitivity of the value placed on the liabilities	
Discount rate	
Discount rate -0.50%	2,594
Inflation	
Inflation +0.50%	1,142
Salary increases	
Salary increases +0.50%	202
Mortality	
Increase long-term mortality improvement rate to 1.50% p.a.	227
Increase initial addition parameter to 0.25% p.a.	407
Decrease 2022 and 2023 weight parameters to 0%	505

24. Pensions continued

	Period to 31 Dec 2025 £000
Projected Profit & Loss account for next period	
Current service cost	336
Administration costs	501
Interest on liabilities	2,402
Interest on assets	(3,384)
Total charge to Profit and Loss	(145)

The above estimate is based on the assumptions adopted at the review date and assumes the following:

- Cash flows to and from the pension scheme are broadly the same as for the current period.
- There are no events that would give rise to a settlement, curtailment or past service cost.

	2024 £000	2023 £000
End-of-service benefits for non-UK businesses	7,352	6,458

End-of-service benefits represents a statutory gratuity payable to UAE, Saudi Arabia and India based employees on leaving the Company. In Saudi Arabia and India, actuarial valuations are carried out at the end of each reporting period and the valuations are £1,534k (2023: £1,308k) in Saudi Arabia and £152k (2023: £160k) in India.

25. Borrowings

The Group's committed loan facilities at the year-end were £43.0m, and these were utilised as follows:

Facilities	Repayable	2024 £000
Revolving facilities		
Secured £23m revolving multi-currency loan at 1.40% above SONIA	31 March 2027	11,808
Secured £20m revolving multi-currency loan at 1.50% above SONIA	31 March 2028	–
Other		
Exchange loss on foreign currency borrowings		221
		12,029

Security

The two revolving loan facilities are secured against specific freehold properties valued at £53.5m in 2020.

	2024 £000
Revolving facilities drawdown and interest	
The amount of loan drawdown at 31 December 2024 was £12.0m, split as follows:	
US dollar \$6.2m loans at variable rates of interest	3,718
Thai Baht THB 160m loans at variable rates of interest	4,977
South African rand ZAR 78.7m loans at variable rates of interest	3,334
	12,029

	2024 £000	2023 £000
Maturity of borrowings		
In more than one but no more than two years	–	–
In more than two but no more than five years	12,029	13,959
More than five years	–	–
	12,029	13,959

26. Financial instruments and risk management

a) Financial risk management objectives and policies

The Group's principal financial instruments, other than derivatives, comprise bank loans, cash, short-term deposits, trade receivables and trade payables. The Group's financial instrument policies can be found in the principal accounting policies. The Board agrees policies for managing the financial risks summarised below:

Treasury and financial risk management

The Group operates a centralised treasury function that is responsible for managing its liquidity, interest, commodity and foreign currency risks.

The Group has a risk that available funds may not meet business needs. Higher debt levels would result in an increase in the proportion of cash flow dedicated to servicing debt and potentially increase its exposure to interest rate fluctuations. The geographical spread of the Group means that its financial results can be affected by movements in foreign exchange rates.

When required, the Group borrows in foreign currencies to mitigate the risk of movements in foreign exchange rates on intercompany loans.

The Group's treasury policy allows the use of derivative financial instruments to cover its exposure to foreign exchange, commodity and interest rate risk arising from operational and financing activities. The Group primarily uses forward foreign exchange contracts, commodity swaps and, occasionally, foreign currency swaps to manage these risks.

Credit risk

The Group is exposed to credit risk on financial assets such as cash deposits and derivative instruments as well as its business customers and key suppliers.

For cash deposits and derivative instruments, the Group monitors counter-party risk through international credit agencies' ratings. This is reviewed on a monthly basis.

Business customers and key suppliers, whose services are essential to the business, also face credit risk. Where recovery of trade receivables is identified as doubtful, provision for impairment is made. The Group's maximum exposure on its trade and other receivables is the varying amount as disclosed in Note 18.

The Group's risk assessment procedures for key suppliers enables it to identify alternatives and develop contingency plans in the event that any of these suppliers fail.

Liquidity risk

The Group has adequate medium-term financing in place to support its business operations for the foreseeable future. The Group ensures that it has sufficient undrawn committed borrowing facilities available to meet expenditure and to allow for operational flexibility. An analysis of the maturity of borrowings is disclosed in Note 25.

Commodity risk

Commodity risk arises on volatility of base metal prices used in the Group's electrical businesses. This risk is addressed, wherever possible, by increasing customer prices through contract variation clauses. Cash flow hedging is used to mitigate the risk, by using derivative financial instruments, primarily commodity swaps, up to a maximum limit of 70% cover of total forecasted exposure, up to 18 months in the future.

Commodity contracts have not been formally designated as hedges and hedge accounting has not been applied. Forward foreign currency contracts are carried at fair value in the statement of financial position, with fair value movements being taken to the income statement.

Foreign currency risk

The Group incurs foreign currency risk on transactions that are denominated in a currency other than UK pound sterling. The Group's policy is to hedge material transactional exposures to protect against currency fluctuations. Cash forecast exposures are hedged via forward foreign currency contracts and currency swaps, up to a maximum limit of 60% cover, up to 15 months in the future. In addition, negotiations with suppliers continue and will result in matching of currencies to allow increased netting of currency flows.

Forward foreign currency contracts have not been formally designated as hedges and hedge accounting has not been applied. Forward foreign currency contracts are carried at fair value in the statement of financial position, with fair value movements being taken to the income statement.

26. Financial instruments and risk management continued

US dollars are used as a proxy for hedging exotic currencies pegged to the US dollar, for example Saudi riyals and UAE dirhams, because a liquid financial derivative market is not widely available.

Where applicable, loans to non-UK subsidiaries are hedged via external borrowings in matching currencies. These are not formally designated as hedges, as gains and losses on hedged loans will naturally offset.

Currency exposure arising from the net assets of the Group's foreign subsidiaries are not hedged.

Interest rate risk

Interest rate risk arises on the Group's borrowings and, where applicable, is addressed by taking out forward cover up to a maximum of 60% of total borrowings for periods up to five years. This does not eliminate the risk but provides some certainty. The Group may cash flow hedge account forward cover where applicable.

b) Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange, commodity and interest rate risks arising from the Group's operating and financing activities. Forward foreign exchange contracts are used to hedge against foreign exchange rate movements over fixed terms.

In accordance with the Group treasury policy, derivative financial instruments are not held for trading purposes and policy sets out the range of instruments that can be used.

Derivative financial instruments can be designated as hedges in line with the Group's risk management policies.

In the current year, no derivative financial instruments have been formally designated as hedges and hedge accounting has not been applied. Derivatives are included in the statement of financial position at fair value with movements being taken to the income statement.

The carrying value of financial assets and liabilities disclosed in the notes is considered to be a reasonable approximation of the fair value.

c) Hierarchical classification of financial assets and liabilities measured at fair value

IFRS 13 requires that the classification of financial instruments at fair value be determined by reference to the source of inputs used to derive the fair value. The classification uses the following three-level hierarchy:

Level 1

Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2

Other techniques for which all inputs, which have a significant effect on the recorded fair value, are observable, either directly or indirectly

Level 3

Techniques that use inputs, which have a significant effect on the recorded fair value, that are not based on observable market data

The valuation techniques used for instruments categorised in Levels 1 and 2 are described below:

Quoted equities and securities (Level 1)

The fair value of the Group's quoted securities is derived from observable quoted market prices for the assets.

Investment property (Level 2)

The fair value of the Group's investment properties is estimated based on appraisals performed by independent and professionally qualified valuers. The valuation processes are reviewed by the Board of Directors at each reporting date. The significant assumptions used in the valuation relate to current rental yields.

Forward contracts and swaps (Level 2)

The fair value of forward contracts and swaps are determined by market values available from the markets on which they are traded.

26. Financial instruments and risk management continued

d) Categories of Financial Instruments

A summary of the classifications of the financial assets and liabilities held by the Group is set out in the following table:

	2024			2023		
	Non-current £000	Current £000	Total £000	Non-current £000	Current £000	Total £000
Financial assets at fair value through OCI						
Listed equity investments	2,981	–	2,981	2,626	–	2,626
Total financial assets at fair value through OCI (i)	2,981	–	2,981	2,626	–	2,626
Trade receivables	–	53,656	53,656	–	55,066	55,066
Total financial assets at amortised cost (ii)	–	53,656	53,656	–	55,066	55,066
Derivative financial instruments (iii)	–	–	–	–	209	209
Cash and cash equivalents (iv)	–	81,473	81,473	–	63,091	63,091
Cash on deposit (v)	–	30,453	30,453	–	10,000	10,000
Financial Liabilities						
Derivative financial instruments	–	592	592	–	–	–
Interest-bearing loans and borrowings	12,029	–	12,029	13,959	–	13,959
Trade and other payables	–	37,589	37,589	–	42,629	42,629
Total financial liabilities	12,029	38,181	50,210	13,959	42,629	56,588

The Group's financial instruments resulted in the following income, expenses, gains and losses recognised in the Income Statement:

Financial assets						
Dividends from equity investments held at FVOCI	42	–	42	33	–	33
Foreign exchange contracts	–	–	–	–	56	56
Commodity contracts – copper	–	–	–	–	153	153
Total	42	–	42	33	209	242
Financial liabilities						
Finance cost of interest-bearing loans and borrowings	–	1,069	1,069	–	1,040	1,040
Foreign exchange contracts	–	87	87	–	–	–
Commodity contracts – copper	–	505	505	–	–	–
Total	–	1,661	1,661	–	1,040	1,040

i) Financial assets at fair value through Other Comprehensive Income

Financial assets at fair value through Other Comprehensive Income comprise equity securities that are not held for trading. The Company has made an irrevocable election at initial recognition to recognise changes in fair value through Other Comprehensive Income rather than the Consolidated Income Statement. There were no such transactions during the year.

ii) Trade and other receivables

Amounts due from customers for goods and services provided by the Group in the course of ordinary business are classified as trade receivables. Settlement terms are generally 30–60 days and, as such, are all classified as current assets. The fair value of receivables is considered to be the same as their carrying amount, given the short-term nature of the asset. The Group's policy for the impairment is shown under principal accounting policies.

iii) Derivative financial instruments

The Group's policy for derivative financial instruments is disclosed in the principal accounting policies.

26. Financial instruments and risk management continued

iv) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, short-term cash deposits and cash balances held by the Group's investment managers and solicitors.

v) Cash on deposit

Cash held on deposit with a maturity date of more than three months.

27. Equity share capital

	2024 £000	2023 £000
Authorised:		
495,000 ordinary shares of £1 each	495	495
Allotted, called-up and fully paid:		
491,885 ordinary shares of £1 each	492	492

28. Other reserves

The consolidated statement of changes in equity is shown on page 90. Further information on reserves is provided below:

Capital reserves

The capital reserve arose on redemption of ordinary shares in the Group's companies.

Retained earnings

In accordance with IFRS, retained earnings include revaluation reserves, which are not distributable under UK law. The balance in the revaluation reserve at 31 December 2024 is £114.8m.

Currency translation reserve

The foreign currency reserve is used to record exchange differences arising from the translation of the consolidated financial statements of foreign subsidiaries and other foreign currency investments.

Cash flow hedge reserve

This includes the fair value of the movements on derivative financial instruments qualifying for hedge accounting under IFRS 9.

29. Commitments

Capital

At 31 December 2024, the Group had authorised the following future capital expenditure:

	2024 £000	2023 £000
Contracted	2,259	6,002
Not contracted	367	129

30. Contingent liabilities

The Group has given its bankers guarantees amounting to the equivalent of £10.1m (2023: £10.1m) in respect of tender and performance bonds and counter indemnities.

Lucy Electric India (Private) Ltd's dispute with CG Power was resolved during the year and the outstanding amount recovered. CG Power's counter-claim was also withdrawn, concluding the litigation outstanding at the end of 2023.

31. Related parties

The Group's related parties include post-employment benefit plans for the Group's employees and others as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Transactions with key management personnel

Key management of the Group are the Executive and Non-Executive members of Lucy Group Ltd's Board of Directors. Key management personnel remuneration includes the following expenses:

	2024 £000	2023 £000
Short-term employee benefits	1,991	1,919
Post-employment benefits	33	54
Total key management remuneration	2,024	1,973
Emoluments of highest-paid Director	520	520
Pension contribution	–	–
	520	520

The Group does not operate share option or other long-term incentive schemes for the Directors.

Two Directors are members of the defined benefit section of the W Lucy Pension Scheme. The Company also operates unfunded, unapproved retirement benefit arrangements for one of these Directors. The Group made contributions of £33k (2023: £54k) to defined contribution schemes in respect of two other Directors and operates unfunded, unapproved retirement benefits for one of these.

At the year end, the highest-paid Director had accrued pension benefits totalling £120k p.a. (2023: £116k p.a.), which are currently in payment from the W Lucy Pension Scheme.

Transactions with the defined benefit plan

The defined benefit plan is a related party and does not hold shares in Lucy Group Ltd. The Group's transactions with the defined benefit plan include contributions to the plan and trustee, accounting and administrative services.

Parent and ultimate controlling party

Lucy Group Limited is a subsidiary of WL Shareholding Company Limited, a private limited company incorporated and domiciled in England, which holds 53% of the issued ordinary share capital of the Company.

The consolidated accounts of the ultimate controlling party are available from their registered office at 30 St Giles, Oxford OX1 3LE.

32. Analysis of changes in net cash

	1 January £000	Cash flows £000	Exchange loss £000	31 December £000
Cash at bank and in hand	57,865	7,584	–	65,449
Liquid resources	18	3	–	21
Cash on deposit	15,208	31,248	–	46,456
Loan capital under one year	(293)	293	–	–
Loan capital over one year	(13,952)	2,006	(83)	(12,029)
Net cash	58,846	41,134	(83)	99,897

Cash on deposit at 31 December 2024 includes four deposits over 90 days totalling £30.5m (2023: one deposit totalling £10.0m) disclosed under other financial assets (Note 15).

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	2024 £000	2023 £000
Assets			
Non-current assets			
Intangible assets	3	31	79
Property, plant and equipment	4	3,410	2,948
Investments			
Investment property	5	168,896	165,939
Other investments	6	110,329	96,649
Defined benefit pension scheme surplus	16	13,644	12,277
Non-current assets		296,310	277,892
Current assets			
Trade and other receivables	7	479	117
Derivative financial instruments	12	–	209
Group debtors	7	3,735	3,205
Prepayments and other debtors	7	3,459	2,310
Other short-term financial assets	6	30,453	10,000
Cash and cash equivalents		28,502	23,398
Current assets		66,628	39,239
Total assets		362,938	317,131
Liabilities			
Non-current liabilities			
Provisions	9	413	2,390
Borrowings	11	12,029	13,959
Deferred tax liabilities	10	21,987	21,138
Non-current liabilities		34,429	37,487
Current liabilities			
Trade and other payables	8	12,621	8,410
Current tax liabilities	8	937	459
Derivative financial instruments	12	592	–
Other liabilities	8	5,970	4,877
Current liabilities		20,120	13,746
Total liabilities		54,549	51,233
Net assets		308,389	265,898
Equity			
Share capital	15	492	492
Other reserves		(6,852)	(6,852)
Retained earnings		314,749	272,258
Total equity		308,389	265,898

Approved by the Board of Directors on 20 March 2025 and signed on its behalf

C R Dick
Executive Chairman

G D Ashton
Group Finance Director

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

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	Share capital £000	Capital reserve £000	Currency reserve £000	Retained earnings £000	Total equity £000
At 1 January 2024	492	31	(6,883)	272,258	265,898
Profit for the year	–	–	–	45,394	45,394
Other comprehensive income					
Fair value change in investments, net of deferred tax	–	–	–	266	266
Actuarial gain on post employment benefit schemes, net of deferred tax	–	–	–	1,219	1,219
Total comprehensive income	–	–	–	46,879	46,879
Dividends	–	–	–	(4,388)	(4,388)
At 31 December 2024	492	31	(6,883)	314,749	308,389
At 1 January 2023	492	31	(6,883)	236,236	229,876
Profit for the year	–	–	–	38,007	38,007
Other comprehensive income					
Fair value change in investments, net of deferred tax	–	–	–	139	139
Actuarial gain on post employment benefit schemes, net of deferred tax	–	–	–	709	709
Total comprehensive income	–	–	–	38,855	38,855
Dividends	–	–	–	(2,833)	(2,833)
At 31 December 2023	492	31	(6,883)	272,258	265,898

NOTES TO THE COMPANY ACCOUNTS

1. Accounting policies

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

The Company has taken the exemption allowed under Section 408 of the Companies Act 2006 from the requirement to present its own income statement. The profit for the year was £45.4m (2023: £38.0m). These financial statements present information about the Company as an individual undertaking and not about its Group.

General information and basis of preparation

Lucy Group Ltd is a private company limited by shares incorporated in England, United Kingdom. The address of the registered office is given in the Company information on page 132 of this report. The financial statements have been prepared in accordance with the Companies Act 2006 and the principal accounting policies as summarised below. They have all been applied consistently throughout the year.

Disclosure exemptions adopted

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

- IAS 1: Presentation of comparative reconciliations for property, plant and equipment and intangible assets
- IAS 1: Capital management disclosures
- IAS 7: Exemption from preparing a cash flow statement
- IAS 8: Disclosures in respect of standards in issue not yet effective
- IFRS 15: Various disclosures in respect of revenue recognition including disaggregation of revenue and details of performance obligations
- IAS 24: Related party disclosures to disclose related party transactions entered into
- IAS 24: Disclosure of key management personnel compensation

Functional and presentation currency

The financial statements are presented in UK pound sterling, which is also the functional currency of the Company.

Foreign currency transactions and balances

Foreign exchange gains and losses resulting from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the income statement. Non-monetary items are translated at the date of the transaction.

Revenue

Revenue 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.

Operating expenses

Operating expenses are recognised in the income statement 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.

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 | Straight line over expected useful life |
| • Leasehold premises | Term of the lease, not exceeding 50 years |
| • Leasehold improvements | Not exceeding the term of the lease |
| • Plant and equipment | 4–15 years |
| • Fixtures and fittings | 3–10 years |
| • Computer equipment | 4–5 years |
| • Computer software | 3 years |
| • Motor vehicles | 4 years |

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 the income statement within other income or other expenses.

Intangible fixed assets

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

1. Accounting policies continued

Investment properties

Investment properties are valued annually and are included in the financial statements at fair value after taking appropriate professional advice. Changes in fair value are recognised in the income statement.

No depreciation is provided in respect of investment properties.

Investments

Investments in subsidiaries, including long-term loans, are held at cost less any provision for impairment. Impairment provisions are based upon an assessment of the net recoverable amount of each investment. Other investments are measured at cost and are subject to impairment.

Investments in equity securities are classified as available-for-sale financial assets and are initially measured at cost, which is considered to equal fair value. Subsequently, such investments are measured at fair value and changes therein are recognised in Other Comprehensive Income.

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 Company's 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.

Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income (OCI) or to an item recognised directly in equity is also recognised in OCI or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred balances are recognised on temporary differences where the carrying amount of an asset or liability differs from its tax base, except:

- The recognition of deferred assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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 that are subject to an insignificant risk of changes in value.

Financial instruments

Financial assets and liabilities are recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument.

The Company classifies financial assets into one of three categories: i) amortised cost; ii) fair value through Other Comprehensive Income (FVOCI); and iii) fair value through profit or loss (FVTPL). The Group's business model for managing the assets and their cash flows determines which classification is applied to each financial asset. Assets held under the 'held to collect' business model are classified at amortised cost; those 'held to collect and for sale' at FVOCI, and assets held under any other business model to the above, are classified at FVTPL.

Derivative financial instruments

The Group operates a centralised treasury function, which is responsible for managing liquidity, interest, commodity and foreign currency risks for the Group. As part of its strategy for the management of these risks at a Group level, the Company uses financial derivatives in accordance with the Group Treasury Policy.

The Company uses derivative financial instruments, currency and commodity (copper) swaps to manage currency and commodity risks associated with the Group's underlying business activities and the financing of these activities.

The Company does not undertake any speculative activity, in accordance with the Group Treasury Policy.

1. Accounting policies continued

Recognition and measurement

All derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Derivative financial instruments are formally documented at the initial designation of the hedge, the documentation describes the relationship between the hedged item and hedging instrument, risk management strategy and the method for assessing hedge effectiveness.

Cash flow hedging

Derivative financial instruments classified as cash flow hedges are those that hedge the Group's net variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction. These include commodity (copper) swaps and foreign currency exchange forwards and swaps.

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 that are directly attributable to 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, 10 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 income statement so as to spread the cost of pensions over employees' working lives with the Company. The Group provides the Lucy Group Personal Pension Plan for UK employees who are not in this scheme. Eligible employees in the UK, who are not covered by these schemes, were enrolled into a scheme established under Part 1 of the Pensions Act 2008. The pension costs of these schemes are charged as incurred.

Provisions

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.

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.

Defined benefit obligation

Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the defined benefit obligation amount and the annual defined benefit expenses.

Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case, management uses the best information available. Investment properties are valued using appropriate professional advice.

2. Profit for the financial year

The Company profit for the year after taxation is £45.4m (2023: £38.0m).

3. Intangible assets

	Licences and software £000
Gross carrying amount	
At 1 January 2024	1,550
At 31 December 2024	1,550
Amortisation	
At 1 January 2024	1,471
Charge for year	48
At 31 December 2024	1,519
Net book value	
At 31 December 2024	31
At 31 December 2023	79

4. Property, plant and equipment

	Freehold land and buildings £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost or valuation				
At 1 January 2024	2,264	5,554	493	8,311
Additions	530	340	23	893
Disposals	–	(331)	(26)	(357)
At 31 December 2024	2,794	5,563	490	8,847
Depreciation				
At 1 January 2024	503	4,521	339	5,363
Charge for year	44	314	73	431
Disposals	–	(331)	(26)	(357)
At 31 December 2024	547	4,504	386	5,437
Net book value				
At 31 December 2024	2,247	1,059	104	3,410
At 31 December 2023	1,761	1,033	154	2,948

5. Investment property

Investment property represents real estate properties in the UK, which are owned to earn rentals and for capital appreciation.

Note 26 of the Group accounts (Financial Instruments) sets out how the fair value of the investment properties has been determined.

Changes to the carrying amounts are as follows:

	2024 £000	2023 £000
Carrying amount 1 January	165,939	166,408
Additions	616	2,302
Disposals	(60)	(83)
Revaluation	2,401	(2,688)
Carrying amount 31 December	168,896	165,939

Freehold land and buildings, which had a value of £53.5m in 2020, have been pledged to secure borrowings of the Company (see Note 11).

NOTES TO THE COMPANY ACCOUNTS CONTINUED

6. Other investments

	2024 £000	2023 £000
Deposit over 90 days	30,453	10,000
Equity securities: listed	2,928	2,572
Group undertakings	59,416	45,282
Loans to Group undertakings	47,985	48,795
	140,782	106,649

At 31 December 2024, there were four deposits held with two separate investment grade banks (2023: one deposit with one investment grade bank).

Investments in subsidiaries have been written down to the Company net asset value at the year end. Total impairments to investments in subsidiaries were £4.1m (2023: £1.9m), total write backs were £7.2m (2023: £5.1m), additions were £11.1m (2023: £3.0m) and disposals were £nil (2023: £nil) in the year.

Quoted investments are classified as available for sale and are recorded at fair value.

Group undertakings	2024 £000	2023 £000
Lucy Electric UK Limited	11,537	11,537
Lucy Electric (EMS) Limited	11,044	9,995
Lucy Electric India (Private) Limited	10,077	6,884
Lucy Electric GridKey Limited	5,096	200
Lucy Electric Manufacturing and Technologies India (Private) Limited	4,882	4,077
Lawson Fuses Limited	4,376	2,048
Flashnet SA	4,118	1,350
Lucy Electric (Thailand) Limited	3,880	4,247
Lucy Asia Pacific SDN BHD	2,968	2,870
Lucy Switchgear FZE	534	534
Lucy Zodion Limited	533	970
Lucy Middle East FZE	174	174
Lucy Equipamentos Eletricos Ltda	90	155
Lucy Electric Beijing Company Limited	67	57
Lucy Electric Australasia Pty Ltd	39	183
Lucy Developments Limited	1	1
Lucy Electric South Africa (Pty) Limited	-	-
Power Connectors Limited	-	-
	59,416	45,282

Unquoted equity Investments

The Company holds a 30% shareholding in the Saudi Lucy Company Limited, a company registered in Saudi Arabia.

7. Trade and other receivables

	2024 £000	2023 £000
Trade receivables	402	82
Amounts owed by Group undertakings	3,735	3,205
Rent debtors	77	35
Prepayments and accrued income	1,791	1,637
Other receivables	1,668	673
	7,673	5,632

8. Trade and other payables – current

	2024 £000	2023 £000
Trade payables	119	198
Amounts owed to Group undertakings	12,502	8,212
Corporation Tax payable	677	218
Social security and other taxes	260	241
Accruals and deferred income	4,705	3,713
Other payables	1,265	1,164
	19,528	13,746

9. Provisions

All provisions are considered current. The carrying amounts and the movements in the provision account are as follows:

	Restructuring costs £000	Warranty provision £000	Other £000	Total £000
Carrying amount 1 January 2024	2,008	10	372	2,390
Provided in year	-	-	-	-
Released in year	(1,871)	-	(104)	(1,975)
Charge in year	(2)	-	-	(2)
Carrying amount 31 December 2024	135	10	268	413

10. Deferred tax

Deferred taxes arising from temporary differences and unused tax losses are summarised as follows:

	2024 £000	2023 £000
Investment properties	21,882	21,294
Fixed asset temporary differences	99	(82)
Other temporary differences	6	(74)
	21,987	21,138

NOTES TO THE COMPANY ACCOUNTS CONTINUED

11. Borrowings

The Company's committed loan facilities at the year-end were £43.0m, and these were utilised as follows:

Facilities	Repayable	2024 £000
Revolving facilities		
Secured £23m revolving multi-currency loan at 1.40% above SONIA	31 March 2027	11,808
Secured £20m revolving multi-currency loan at 1.50% above SONIA	31 March 2028	–
Other		
Exchange loss on foreign currency borrowings		221
		12,029

Security

The two revolving loan facilities are secured against specific freehold properties valued at £53.5m in 2020.

Loan drawdown and interest	2024 £000
The amount of loan drawdown at 31 December 2024 was £12.0m, split as follows:	
US dollar \$6.2m loans at variable rates of interest	3,718
Thai baht THB 160m loans at variable rates of interest	4,977
South African rand ZAR 78.7m loans at variable rates of interest	3,334
	12,029

Maturity of borrowings	2024 £000	2023 £000
In more than one, but no more than two years	–	–
In more than two, but no more than five years	12,029	13,959
More than five years	–	–
	12,029	13,959

12. Derivative financial instruments

	2024		2023	
	Asset £000	Liability £000	Asset £000	Liability £000
Designated hedge relationships:				
Foreign exchange contracts	–	87	56	–
Commodity contracts	–	505	153	–
	–	592	209	–

13. Dividends

Information on dividends paid and declared is given in Note 9 in the Group financial statements.

14. Related parties

The Company has taken advantage of the exemption given in FRS 101 to not disclose transactions with other Group companies.

15. Equity – share capital

	2024 £000	2023 £000
Authorised:		
495,000 ordinary shares of £1 each	495	495
Allotted, called-up and fully paid:		
491,885 ordinary shares of £1 each	492	492

16. Pensions

Disclosure of Company pension schemes is given in Note 24 of the Group financial statements.

SHAREHOLDER INFORMATION

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SHAREHOLDER INFORMATION

Advisors

Auditors Wenn Townsend
Chartered Accountants
and Statutory Auditors
30 St Giles
Oxford
OX1 3LE

Pension consultants Barnett Waddingham LLP
Decimal Place
Chiltern Avenue
Amersham
HP6 5FG

Bankers HSBC Bank plc
65 Cornmarket Street
Oxford
OX1 3HY

Investment advisors Cazenove Fund Management Ltd
King Charles House
Park End Street
Oxford
OX1 1JD

Financial calendar

Announcement of results

The results of the Group are normally reported at the following times:

- Interim report for the six months to June in September
- Report and Accounts to 31 December in March

Dividend payments

Current policy is to make dividend payments at the following times:

- Interim dividend in September
- Final dividend in May

Registered Office

Lucy Group Ltd
Eagle Works
Walton Well Road
Oxford, UK
OX2 6EE

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of Lucy Group Ltd will be held at Eagle Works, Walton Well Road, Oxford, UK, OX2 6EE on Thursday 24 April 2025, at 11:45am for the following purposes:

1. To receive the Report of the Directors and the audited financial statements for the year ended 31 December 2024.
2. To declare a final dividend.
3. To re-elect as a Director R Dobbs who retires by rotation.
4. To elect as a Director M Dick.
5. To reappoint Wenn Townsend as Auditors of the Company and to authorise the Directors to fix their remuneration.
6. To transact any other ordinary business of the Company.

By order of the Board,

Madeline Laxton
Company Secretary

20 March 2025

Lucy Group Ltd
Eagle Works
Walton Well Road
Oxford, UK
OX2 6EE

FIVE-YEAR SUMMARY

	2024 £000	2023 £000	2022 £000	2021 £000	2020 £000
Income and OCI					
Sales (continuing ops)	409,331	359,124	313,216	263,786	203,989
Rental income	9,883	9,090	8,444	8,184	7,940
Gross profit	142,744	115,697	85,635	78,718	60,181
Operating profit before valuation gains/(losses)	80,829	62,300	35,547	39,512	25,971
Investment property valuation gains/(losses)	2,361	(2,450)	(877)	4,213	3,161
Profit before tax	85,210	59,488	35,299	42,211	27,142
Total comprehensive income	74,221	37,837	52,819	39,489	15,981
Cash and assets					
Free cash flow	44,895	21,830	10,456	30,022	14,938
Net cash/(debt)	99,897	58,846	40,739	31,430	3,213
Net assets	393,953	324,120	289,111	238,410	201,356
Return on net assets	22%	18%	12%	18%	13%
Share metrics					
Earnings per share	14,504p	8,241p	6,989p	6,403p	4,731p
Dividends per share (excl special) ¹	301p	286p	264p	233p	215p
Special dividends per share	600p	300p	175p	150p	125p

¹ Dividends in years 2020 to 2021 normalised to remove the impact of the Covid-19 pandemic on timing of dividend payments.

Group head office

Lucy Group Ltd

Eagle Works, Walton Well Road
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Overseas companies

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Flashnet SA (part of Lucy Group)

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The production of this report supports the work of the Woodland Trust, the UK's leading woodland conservation charity. Each tree planted will grow into a vital carbon store, helping to reduce environmental impact as well as creating natural havens for wildlife and people.



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