LPA GROUP PLC

Preliminary results for the year ended 30 September 2014

LPA Group plc ("LPA" or the "Group"), the LED lighting and electro-mechanical system manufacturer and distributor, announces its results for the year ended 30 September 2014 and a number of significant new orders.

KEY POINTS

- Sales down 4.5% to £16.84m (2013: £17.63m)
- Operating profit before exceptional items £636,000 (2013: £609,000)
- Exceptional gain on property disposal £ nil (2013: £2.06m)
- Exceptional reorganisation costs £319,000 (2013: £809,000)
- Profit before tax £295,000 (2013 restated: £1.72m*)
- Basic earnings per share 2.50p (2013 restated: 15.05p*)
- Final dividend increased by 13.3% to 0.85p (2013: 0.75p), total for the year 1.55p (2013: 1.35p)
- Gearing 21.1% (2013: 8.5%)
- Order entry up 35% to £18.55m (2013: £13.72m)
- 26% increase in order book to £8.18m (2013: £6.47m)
- Order entry in the first quarter of the current year strong at £7.0m. This includes the first £2.3m out of the £3.3m of contracts announced in October together with a £1.3m LED lighting refurbishment order received in December. Separately in excess of £12m of contracts for which we have been selected remain to be booked
- Ethernet backbone technology continuing to excite great interest with initial orders received
- Transport+ continuing to win orders possibly confirming end to hiatus caused by delayed franchising
- Group beginning to benefit from increasingly buoyant UK rail sector and export markets
- Shire Hill refurbishment and Saffron Walden move complete; move of Clacton activities planned for completion by mid-year; extension to LED lighting facility planned to commence in late summer

* restated - reported profit before tax and basic earnings per share were reduced as a consequence of adopting IAS19 which required the restatement of the pension scheme return included in the income statement.

Peter Pollock, Chief Executive, comments:

"But for the impact of the hiatus in the rail re-franchising process on short term order entry and a gap between major contracts on the second half performance, particularly in LED lighting, the result would have been stronger. As a consequence sales for the year were reduced but margins improved so that operating profits moved ahead slightly.

"That said, given the announcement at the end of the year of the decision to consolidate all our electro-mechanical activities at Light & Power House, these results are broadly in line with expectations.

"During the first quarter of the current year the Group has won £3.6m and been selected for a further £1.0m of LED lighting projects for both home and export rail markets, further strengthening our prospects. We have also launched a range of high-end quality commercial lighting products for sale through distributors which are showcased throughout our new Light & Power House facility.

"The refurbishment of Light & Power House and the relocation from Tudor Works was completed remarkably smoothly. Transfer of the Clacton activities to Light & Power House will commence later this month. Commencement of the planned extension to our LED lighting facility is expected in late summer.

"Although the effect of the franchising hiatus appears to be coming to an end with a number of orders, large and small coming closer to fruition, the delays have left a large gap between the completion of large projects and the commencement of new large projects. This gap impacted the second half and has resulted in an extremely slow start to the current year. The first quarter, particularly December, was very disappointing but the factory load from February onwards is encouraging. The current year will be one of two very different halves, with the remainder of the first half devoted to recovering the damage of the first quarter and the second half expected to deliver accelerating progress.

"First quarter order entry exceeded £7m and prospects remain very strong. Our near term goal is to make the business as strong as possible, to take advantage of the many opportunities available at home and abroad, and to achieve the substantial growth we believe is attainable."

22 January 2015

ENQUIRIES:

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Chairman's Statement

Overview

The Group achieved some remarkable milestones in the year ended 30 September 2014. The refurbishment of the renamed Light & Power House, acquired in 2012, was completed and our Saffron Walden activities were relocated to the new facility from Tudor Works after some forty years in residence. Both events were achieved remarkably smoothly. The balance of the proceeds of the sale of Tudor Works was received, which helped to fund the refurbishment. In September 2014 we initiated an employee consultation in connection with the possible closure of our Clacton facility, which has subsequently been confirmed: we will commence the transfer of activities from Clacton to Light & Power House this month with closure expected in May.

As I have previously advised, the year to 30 September 2014 started slowly and we spent the rest of it playing catch up. Several false dawns in the recovery of short term order entry, caused by the hiatus in the rail franchising process, gave us an expectation of stronger trading but these failed to materialise and as a result sales fell £0.79m to £16.84m (2013: £17.63m) although operating profit before exceptional items increased slightly to £636,000 (2013: £609,000). The year included £319,000 of exceptional reorganisation costs in contrast to the £1.17m net exceptional gain in 2013 (which included the profit on disposal of Tudor Works) and as a consequence profit before tax fell from £1.72m last year to £295,000 this. Basic earnings per share was 2.50p compared with the property-inflated 15.05p last time. Gearing amounted to 21.1% compared with 8.5% last year. Order entry grew 35% during the year to £18.55m (2013: £13.72m) as did the order book by 26% to £8.18m (2013: £6.47m).

Dividends

The interim dividend was increased by 0.10p to 0.70p (2013: 0.60p). Given our confidence in the medium and longer term future and subject to shareholder approval at the forthcoming annual general meeting - to be held this year at the Group's new offices at Light & Power House, Shire Hill, Saffron Walden Essex, CB11 3AQ at noon on 26 March 2015 - your Board proposes to increase the final dividend by 0.10p to 0.85p (2013: 0.75p) which will be paid on 2 April 2015 to shareholders registered at the close of business on 13 March 2015.

Board, management and employees

I am delighted that Len Porter, previously Chief Executive of the Rail Safety and Standards Board, has joined the Board as a Non-Executive Director: a resolution confirming his appointment will be put to the annual general meeting. The Group Executive - which comprises the Group Chief Executive, the Group Finance Director and the Managing Directors of the four principal operations - has remained unchanged throughout the year.

Our people remain the backbone of our organisation. We are delighted that one hundred percent of our Saffron Walden employees relocated to our new facility but it is with regret that we recognise that it will not be possible for most of our Clacton based employees to transfer to Saffron Walden. Staff turnover across the Group is remarkably low and we are pleased that retirements are now being more closely matched by the appointment of apprentices and trainees.

Outlook

The current financial year has again started very quietly. The Group has been caught in a trough between the completion of several major projects and the commencement of several new ones. As a result, output in the first quarter, particularly December, has been very low, although the factory load picks up from February and we expect to recover during the second quarter and to progress strongly in the second half of the financial year.

First quarter order entry exceeded £7.0m, including the first £2.3m out of the £3.3m of Middle East and Australian rail projects announced in October, together with a £1.3m order for the supply of LED lighting on a major upgrade of existing UK rolling stock (a possible harbinger of the end of the hiatus in UK orders caused by delayed re-franchising). These figures do not include more than £12m of contracts for which the Group has been selected but which remain to be booked.

The Group's prospects have never been stronger, with UK rail up to 2020 (and beyond with HS2) and export markets both very exciting. We have invested to rationalise and improve our electro-mechanical activities, we plan to start investment this year to modernise and expand our LED lighting manufacturing facility and our engineered product distribution activity is poised for growth. As the UK rolling stock refurbishment programme begins to gather pace, the prospects for our after-market support activity (LPA Transport+) are improving strongly. We look forward to our medium and longer term future with increasing confidence.

Michael Rusch
Chairman
22 January 2015

Chief Executive's Review

Trading results

The year to 30 September 2014 was like its predecessor, satisfying, frustrating and challenging.

We were delighted to complete the refurbishment and transfer to our new Saffron Walden facility, Light & Power House, so smoothly and on time. We were thus able to vacate Tudor Works and receive the balance of the consideration before the year end: we retain an interest in the future success of the housing development. We were also delighted to successfully complete export projects in Australia and Taiwan. We were delighted to be selected for a number of rail projects at home and for export, notably in the Middle East and Australia. We were also selected for aircraft ground power supply equipment at Heathrow, Gatwick (for the first time), New Zealand and Mauritius. Since the year end we have been awarded a major LED lighting upgrade project for a rail vehicle fleet in the UK.

We have continued to be affected by the hiatus in short term UK rail orders caused by the delay in the rail re-franchising process, though recent enquiries, particularly for retrofitted ethernet backbones and the LED lighting upgrade mentioned above, are indicators that this may finally be easing. The delays did though affect short term order entry which held back progress during the year. Rail lighting was particularly affected by the completion of major contracts and the start of new contracts.

Reflecting the impact of the hiatus, sales during the year fell 4.5% to £16.84m (2013: £17.63m), but operating profit before exceptional items increased by 4.4% to £636,000 (2013: £609,000). Order entry and order book increased by 35% (from £13.72m to £18.55m) and 26% (from £6.47m to £8.18m) respectively.

Markets

Although we have yet to win any significant orders, Crossrail remains an exciting opportunity, which we are continuing to pursue assiduously. We are working towards agreeing the framework agreement for the Inter City Express programme for which we have been selected and which we have already supplied lighting and inter car equipment for the first three train sets. Completing the Framework Agreement will allow us to receive the substantial orders covering production of the rest of the programme amounting to several million pounds.

The UK rail transport market is the subject of major investment including the Crossrail project, Network Rail's Control Period 5, a large volume of orders for new rolling stock, refurbishment of rolling stock planned and longer term High Speed 2. There are similarly high levels of investment in our selected export and re-export rail markets. There remains a high level of interest in our products in Taiwan and Australia, and also in Japan for re-export. We are also focussing on the Gulf States, where we have identified a strong interest in our products, which have applications both for rail vehicles and infrastructure.

Our commitment to high quality and reliability continues to distinguish us from the cheaper competition. Whilst some customers still buy on the basis of lowest initial cost, increasingly whole life cost is being recognised as the most effective method to evaluate tenders and this plays to our strengths.

The worldwide air transportation market continues to grow with substantial investment in new airports and aircraft: we supply both. The advent of new larger passenger aircraft is benefitting our ground power support products.

Design and development

Our design and development effort last year concentrated on the application engineering of existing electro-mechanical and LED lighting products to satisfy large project requirements. We also completed the development of a number of high quality standard lighting products which have been brought to market and figure widely at our new facility at Light & Power House.

Chief Executive's Review (continued)

Structure and costs

We have set ourselves the challenge of completing the reorganisation of our electro-mechanical activities which we expect to be largely complete by the half year. This will involve relocating activity from our Clacton facility (which will close) to Light & Power House which will then become the Group's centre of excellence for electro-mechanical design and manufacture.

Adding to our challenges, during the summer, we plan to significantly improve our LED lighting facility in Normanton which will be extended and refurbished.

Our centre of excellence for engineered component distribution is located at Thatcham. The team based there has a long record of delivering high levels of customer satisfaction and they are excellent at what they do, a talent which is being more broadly recognised by customers.

Outlook

The year has started quietly as we progress through the gap between one set of large projects and the next. We are working very hard on projects in hand with deliveries which have already commenced, deliveries which will commence during the current year, and deliveries which stretch years in to the future. We have also started work on projects where we have been selected, but the bulk of which are not yet in our order book. We are therefore in a very robust position with an already strong, and strengthening, order book and substantial opportunities for the future.

We are part way through delivering a structural change which will substantially enhance the Group. We shall be working hard to deliver the rest of that structural change during the remainder of this year. The result of these efforts should be a strong, focussed group, with a high quality order book, capable of delivering significant progress over the medium and long term.

We look forward to the future with confidence.

Peter Pollock
Chief Executive
22 January 2015

Financial Review

Trading performance

Revenue in the current year fell by £0.79m (4.5%) to £16.84m (2013: £17.63m) producing an operating profit before exceptional items of £636,000 (2013: £609,000), up £27,000.

Whilst UK sales were significantly in advance of prior year this was more than offset by a fall in export rail project revenues. Gross margins rose 2.4% to 29.6% (2013: 27.2%), reflecting lower project content together with net reorganisation benefits, and a gross profit of £4.98m (2013: £4.79m) resulted. Other operating expenses were £0.16m above last year at £4.34m (2013: £4.18m), the consequence of higher administrative expenses.

In the first half of the year sales of £7.97m (2013: £8.64m) produced an operating profit before exceptional items of £195,000 (2013: £203,000) with sales down on last year by £0.67m but with profits down just £8,000. The second half saw an improvement over the first with sales of £8.87m (down £0.12m on the £8.99m of 2013) resulting in an operating profit before exceptional items of £441,000 (up £35,000 over last year's £406,000).

Exceptional items

As part of the Group's continued reorganisation of its electro-mechanical activities it recognised costs of £319,000 (2013: £809,000) in the current year. These comprise relocation costs of £115,000 (covering the transfer of its Saffron Walden activities from Tudor Works to Light & Power House) together with £204,000 of costs associated with the closure of its Clacton facility. The latter comprises a provision for anticipated costs of £142,000 (largely redundancy), a stock write down of £42,000 and abortive business sale costs of £20,000. It is expected that all liabilities will crystallise and that the reorganisation will be completed within the next year.

The prior year, in addition to the reorganisation costs noted above, also included a goodwill impairment charge of £85,000 and a £2.06m gain on the disposal of its Tudor Works property. The Tudor Works sale contract provides for additional payments to be made in the event that site development revenues exceed a certain level: given the difficulty in predicting such revenues the directors have again assessed the fair value of this contingent consideration as Nil at the year end.

Finance costs and income

Within finance costs the interest on borrowings fell to £68,000 (2013: £103,000), reflecting lower average borrowings with interest rates essentially unchanged. Finance income, which comprises the net interest income on the pension asset, was £46,000 (2013 restated: £43,000).

Profit before tax, taxation and earnings per share

Profit before tax was £295,000 (2013 restated: £1,717,000) but the benefit of tax losses resulted in a nil tax charge in the year (2013 restated: tax credit of £57,000). The profit for the year was £295,000 (2013 restated: £1,774,000) representing basic earnings per share of 2.50p (2013 restated: 15.05p).

Balance sheet

Shareholders' funds fell by £0.15m in the year to £7.09m (2013: £7.24m) giving a net asset value per ordinary share of 59.8p (2013: 61.3p). The tangible net asset value per share (calculated excluding intangibles and pension asset, net of deferred tax, from the calculation) was unchanged at 44.4p. Net debt increased by £0.88m over the year to £1.49m with gearing (net debt as a % of total equity) rising to 21.1% (2013: 8.5%).

Property, plant and equipment at 30 September was £4.91m (2013: £2.67m), of which property made up £2.68m (2013: £1.49m) and plant and equipment £2.23m (2013: £1.18m). Additions in the year were £2.57m (2013: £530,000) with £1.90m relating to the refurbishment of Shire Hill. Disposals in the year were £18,000 (2013: £469,000 - being the net book value of the disposed of Tudor Works site). The depreciation charge was £309,000 (2013: £289,000): an impairment loss of £146,000 was also recognised in the prior year.

Net trading assets (defined as inventories plus trade and other receivables, less trade and other payables and current tax) were lower by £1.44m at £2.42m (2013: £3.86m): £0.78m of this decrease is explained by items present in the opening balance sheet associated with the sale of Tudor Works (£1.30m of deferred consideration less £0.52m of sales taxes).

Provisions at September 2014, which recognise onerous lease and closure costs, were £0.57m (2013: £0.67m).

Intangible assets, which comprise goodwill and capitalised development costs, were £1.24m (2013: £1.24m). Goodwill which relates to the Group's investment in Excil Electronics was unchanged at £1.15m as were capitalised development costs (which relate to the development of LED lighting products) at £0.09m.

Financial Review (continued)

Balance sheet (continued)

The IAS19 actuarial surplus recognised as at 30 September 2014 amounted to £744,000 (2013: £960,000). Movements over the course of the year comprised an income statement credit of £46,000 (2013 restated: £43,000), contributions received of £100,000 (2013: £100,000), less an actuarial loss of £362,000 (2013 restated: £135,000) recognised in the statement of comprehensive income. The actuarial loss of £362,000 resulted from changes in the financial assumptions adopted of £756,000 plus an experience loss on liabilities of £10,000 less a better than expected return on plan assets of £404,000.

Cash flow

Cash generated from operations was £602,000 (2013: £1,483,000): the year included payment of the £0.52m of sales taxes due on the prior year disposal of Tudor Works. With tax receipts of £43,000 (2013: payments of £71,000) and pension contributions of £100,000 (2013: £100,000) net cash generated from operating activities was £545,000 (2013: £1,312,000).

Capital expenditure was much increased at £2,489,000 (2013: £355,000), asset disposal proceeds were again significant at £1,307,000 (2012: £1,253,000) and development expenditure capitalised amounted to £22,000 (2013: £58,000).

In the year there was a £600,000 (2013: Nil) drawn down of the term loan facility. Debt repayments comprised £100,000 (2013: £73,000) in respect of the term loan and £33,000 (2013: £43,000) in respect of finance leases. Interest payments on borrowings fell to £68,000 (2013: £103,000). In the year £16,000 (2013: £22,000) was received from the exercise of share options and dividend payments were higher at £171,000 (2013: £142,000).

Overall there was a net decrease in the cash position of £415,000 (2013: increase of £1,813,000).

Net debt

An analysis of the change in net debt is shown below:

	Bank loans £'000	Finance lease obligations £'000	Cash and cash equivalents £'000	Net debt £'000
At 1 October 2013	1,400	152	(940)	612
Cash absorbed	-	-	882	882
Drawdown of bank loan	600	-	(600)	-
Repayment of borrowings	(100)	(33)	133	-
At 30 September 2014	1,900	119	(525)	1,494

The bank loan is repayable over nine and a half years (in 38 quarterly instalments of £50,000 with the first of these due in October 2014) and the finance lease obligations over five years. At the year-end the Group was holding cash of £0.53m (2013: £0.94m) and had £1.50m (2013: £1.5m) of un-drawn overdraft facilities available.

The remaining £0.6m of the £2.0m term loan facility was drawn down in January 2014 and quarterly repayments commenced in April 2014. Interest is payable at 2.75% over LIBOR. Subsequent to the year end the Group has re-negotiated working capital facilities through to the end of January 2016. These total £2.5m and comprise an overdraft facility of £1.5m together with a guarantee facility of £1.0m. Interest payable on the overdraft facility is unchanged at 2.5% over the prevailing base rate.

Treasury

The Group's treasury policy operates within approved Board guidelines and has not changed since 2013. It seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its foreign currency, interest rate, liquidity and credit risks.

Stephen Brett
Finance Director
22 January 2015

Consolidated Income Statement

For the year ended 30 September 2014

	Note	2014 £'000	Restated 2013 £'000
Revenue		16,835	17,630
Cost of sales		(11,860)	(12,840)
Gross profit		4,975	4,790
Distribution costs		(1,697)	(1,705)
Administrative expenses		(2,642)	(2,476)
Operating profit before exceptional items		636	609
Gain on property disposal		-	2,062
Reorganisation costs		(319)	(809)
Goodwill impairment		-	(85)
Operating profit		317	1,777
Finance costs		(68)	(103)
Finance income		46	43
Profit before tax attributable to equity holders of the parent		295	1,717
Taxation		-	57
Profit for the year		295	1,774
Attributable to:			
- Equity holders of the parent		295	1,774
Earnings per share	1		
Basic		2.50p	15.05p
Diluted		2.31p	14.17p

All activities are continuing.

Consolidated Statement of Comprehensive Income

For the year ended 30 September 2014

	2014 £'000	Restated 2013 £'000
Profit for the year	295	1,774
Other comprehensive expense		
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges transferred to profit for the year - cost of sales	-	14
Tax on cash flow hedges	-	(3)
Items that will not be reclassified to profit or loss		
Actuarial loss on pension scheme	(362)	(135)
Tax on actuarial loss	52	40
Other comprehensive expense net of tax	(310)	(84)
Total comprehensive (expense) / income for the year	(15)	(1.690)
Attributable to:		
- Equity holders of the parent	(15)	(1.690)

Consolidated Balance Sheet

At 30 September 2014

	2014 £'000	2013 £'000
Non-current assets		
Intangible assets	1,235	1,236
Property, plant and equipment	4,909	2,669
Retirement benefits	744	960
	6,888	4,865
Current assets		
Inventories	2,145	2,172
Trade and other receivables	3,473	5,095
Current tax receivable	-	43
Cash and cash equivalents	525	940
	6,143	8,250
Total assets	13,031	13,115
Current liabilities		
Bank loans and other borrowings	(235)	(103)
Provisions	(567)	(243)
Trade and other payables	(3,179)	(3,425)
	(3,981)	(3,771)
Non-current liabilities		
Bank loans and other borrowings	(1,784)	(1,449)
Provisions	-	(425)
Deferred tax liabilities	(160)	(212)
Other payables	(21)	(22)
	(1,965)	(2,108)
Total liabilities	(5,946)	(5,879)
Net assets	7,085	7,236
Equity		
Share capital	1,184	1,180
Share premium account	461	449
Un-issued shares reserve	192	178
Merger reserve	230	230
Retained earnings	5,018	5,199
Equity attributable to shareholders of the parent	7,085	7,236

Consolidated Cash Flow Statement

For the year ended 30 September 2014

	2014 £'000	Restated 2013 £'000
Profit for the year	295	1,774
Finance costs	68	103
Finance income	(46)	(43)
Income tax	-	(57)
Operating profit	317	1,777
Adjustments for:		
Depreciation	309	289
Impairment of property, plant and equipment	-	146
Amortisation of intangible assets	23	54
Impairment of goodwill	-	85
Loss / (gain) on sale of property, plant and equipment	11	(2,065)
Non-cash charge for equity-settled share-based payments	19	22
	679	308
Movements in working capital and provisions:		
Change in inventories	27	273
Change in trade and other receivables	322	23
Change in trade and other payables	(325)	216
Change in provisions	(101)	663
Cash generated from operations	602	1,483
Income tax received / (paid)	43	(71)
Retirement benefits (pension contributions)	(100)	(100)
Net cash from operating activities	545	1,312
Purchase of property, plant and equipment	(2,489)	(355)
Proceeds from sale of property, plant and equipment	1,307	1,253
Capitalised development expenditure	(22)	(58)
Net cash from investing activities	(1,204)	840
Drawdown of bank loans	600	-
Repayment of bank loans	(100)	(73)
Repayment of obligations under finance leases	(33)	(43)
Interest paid	(68)	(103)
Proceeds from issue of share capital	16	22
Dividends paid	(171)	(142)
Net cash from financing activities	244	(339)
Net (decrease) / increase in cash and cash equivalents	(415)	1,813
Cash and cash equivalents at start of the year	940	(873)
Cash and cash equivalents at end of the year	525	940

Notes

1 – EARNINGS PER SHARE

The calculation of earnings per share is based upon the profit for the year of £295,000 (2013 restated: £1,774,000) and the weighted average number of ordinary shares in issue during the year of 11.818m (2013: 11.789m). The weighted average number of ordinary shares diluted for the effect of outstanding share options was 12.783m (2013: 12.518m).

	Earnings £'000	2014 Weighted average number of shares Million	Earnings per share Pence	Earnings £'000	Restated 2013 Weighted average number of shares Million	Earnings per share Pence
Basic earnings per share	295	11.818	2.50	1,774	11.789	15.05
Effect of share options	-	0.965	(0.19)	-	0.729	(0.88)
Diluted earnings per share	295	12.783	2.31	1,774	12.518	14.17

As a consequence of adopting IAS19 reported earnings in 2013 have been reduced by £50,000 which has had the affect of reducing basic earnings per share by 0.42p (from the reported 15.47p to 15.05p) and diluted earnings per share by 0.40p (from the reported 14.57p to 14.17p).

2 - CHANGE IN ACCOUNTING POLICY

Comparative figures as at 30 September 2013 have been restated for the adoption of IAS19 Employee Benefits (Revised 2011).

The principal impact on the Company is that the return on pension scheme assets recognised in the income statement is now based on the discount rate applied to the pension liabilities as opposed to a weighted average of the expected long term rates of return applicable to each asset class. As the discount rate applied to liabilities is lower than the expected long term rate of return the affect has been to reduce the pension scheme net finance credit by £70,000 for the year to 30 September 2013 with corresponding reductions in tax charge of £20,000.

Equal and opposite adjustments to those included in the income statement have been recognised in the statement of comprehensive income and as such there is no change to figures reported in the balance sheet.

3 - INFORMATION

The preceding information does not constitute the Company's statutory accounts for the years ended 30 September 2014 or 30 September 2013 but is derived from those accounts. The 2014 accounts are expected to be posted to shareholders on 16 February 2015 and will be available from the Company Secretary, LPA Group Plc, Light & Power House, Shire Hill, Saffron Walden, Essex, CB11 3AQ and on LPA's website (www.lpa-group.com), shortly thereafter. Statutory accounts for 2013 have been delivered to the Registrar of Companies, and those for 2014 will be delivered following the annual general meeting. The auditors have reported on these accounts and their reports were unqualified and did not contain statements under the Companies Act.

The Chairman's Statement, the Chief Executive's Review, and the Financial Review included in this preliminary announcement form part of the Strategic Report included in the 2014 accounts. The Strategic Report and other content of this preliminary announcement have been prepared solely for the shareholders of the Company as a body. To the extent permitted by law the Company, its directors, officers and employees disclaim liability to any other persons in respect of the information contained in this preliminary announcement. Sections may include statements containing risks and uncertainties facing the Group, and other forward-looking statements, which by their nature involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The Company undertakes no obligation to update any forward-looking statements.

4 - ANNUAL GENERAL MEETING

The annual general meeting of the Company is to be held at 12 noon on Thursday 26 March 2015 at the offices of the Company, Light & Power House, Shire Hill, Saffron Walden, Essex, CB11 3AQ: please note that the venue has changed from that used last year.