
BTR Industries Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



BTR Industries Limited

COMPANY INFORMATION

Directors	K J Becker A M Sage (appointed 15 February 2022)
Company secretary	Invensys Secretaries Limited
Registered number	00478575
Registered office	Schneider Electric Stafford Park 5 Telford England TF3 3BL
Independent auditor	Mazars LLP Chartered Accountants and Statutory Auditor One St Peter's Square Manchester M2 3DE

BTR Industries Limited

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

Introduction

The directors present their Strategic Report for the year ended 31 December 2022.

Business review

The principal activity of the company during the period continued to be that of a holding company within the Invensys arm of the Schneider Electric group. The directors do not expect any changes in activity during the next financial year.

Directors' statement of compliance with Section 172(1)

The following statement is prepared to discuss the measures that the directors take in the day to day management of the subsidiary investments. The statement has not been tailored for the specific entity and instead reflects the practices taken by Schneider Electric Limited, and other subsidiaries of the Schneider Electric group in the UK.

S172(1) of the Companies Act sets out the duties of each director of a company to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of shareholders as a whole and in doing so, have regard to a number of broader matters which are set out below:

- (a) the likely consequences of any decision in the long term;
- (b) the interest of the company's employees;
- (c) the need to foster the company's business relationships with suppliers, customers and others;
- (d) the impact of the company's operations on the community and the environment;
- (e) the desirability of the company maintaining a reputation for high standards of business conduct;
- (f) the need to act fairly between members of the company.

The directors of SE Group companies in the UK have created an Executive Committee to make strategic decisions on behalf of the Companies and to manage the Companies on a day to day basis. In making these decisions the Executive Committee will consider their legal duty and also the priorities and requirements of the sole shareholder, the Schneider Electric SE Group. The chair of the Executive Committee is the Country President, K J Becker and comprises the head of each cash generating business and the head of each support function. This Committee meets monthly to discuss and prioritise actions to benefit the Companies and their stakeholders which fall in line with S172(1) requirements.

- (a) the likely consequences of any decision in the long term;

The strategic decisions of the Schneider Electric Group influence the decisions taken by the Executive Committee in areas such as the structuring of the business into cash generating units, current product ranges, research and development, supply chain, sustainability, IT infrastructure, IT tools and key internal processes.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Executive Committee will adapt the Schneider Electric Group strategy for the UK market which will take into account UK laws and regulations and UK customer and employee needs.

The Executive Committee also recognise the impact of any decision on the short term and long term interests of the company and its stakeholders. Dividend setting is a key decision made each year, the directors consider the ability of each company to make a dividend taking into account the needs of the parent company and the need to support the ongoing UK commercial business. As part of this ongoing commercial business need is the requirement for the Companies to meet their defined benefit pension scheme obligations

(b) the interests of the company's employees

The Executive Committee recognise that employee engagement and retention is one of the most important factors in the short term and long term success of the company, this is encouraged in many ways including;

Live broadcasts are made to all employees by the Zone President on a periodic basis covering important issues at the time, including company results and key corporate objectives for the next year.

An online employee engagement survey which all employees are invited to take part in is run annually. The results of which are shared anonymously with management and used to focus actions for each function and site.

Health and safety is a priority. Monthly reminders to keep safe at work and home are issued to all employees electronically, highlighting a different topic each month. Minor breaches of health and safety policy are highlighted to employees on a weekly basis to prevent all levels of accident occurring and to remind employees that they must prioritise the safety of themselves and their colleagues, as well as their customers and third parties.

The company promotes annual graduate and apprentice schemes to develop young talent. At the end of the scheme these candidates move into UK or worldwide roles within the Schneider Electric Group.

All employees are required to undertake certain on line training courses each year and are encouraged to go beyond this and learn every day. A comprehensive programme of training is available to all employees via our online training platform as well as live training events being held throughout the year.

(c) the need to foster the company's business relationships with suppliers, customers and others;

Members of the Executive Committee regularly meet with customers to discuss ways of improving our offers and customer service. Customer satisfaction surveys are undertaken by third parties and the results are reviewed by the Executive Committee to drive customer service excellence.

The Schneider Electric group has a supplier code of conduct which can be found online at this address <https://www.se.com/ww/en/about us/suppliers/>.

The Group Purchasing Teams work collaboratively with our suppliers to ensure that this code of conduct is met by suppliers. The standard Schneider Electric Group intercompany payment terms are 85 days, and the company's average payment terms for suppliers outside of the Schneider Electric Group are 50 days.

(d) the impact of the company's operations on the community and environment;

Many customers and potential customers are invited to an annual innovation day to promote energy efficient solutions for all types of buildings and industries.

The Executive Committee encourages each site to support local and national charities through regular fundraising events.

The Schneider Electric group have committed to be carbon neutral by 2025. Our sustainability commitment can be found online at this address <https://www.se.com/ww/en/about us/sustainability/>.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Each quarter the Schneider Electric group publishes 21 indicators from the Schneider Sustainability matrix; these measure progress towards its ambitious sustainability commitments for 2018 - 2020 in line with COP 21 commitments and the United Nations Sustainable Development Goals.

(e) the desirability of the company maintaining a reputation for high standards of business conduct;

Schneider Electric emphasises the need to act ethically and compliantly in all that it does. This is reinforced by its Principles of Responsibility policy, which is promoted both internally and externally, as well as by a number of underlying policies, such as the Gifts & Hospitality Policy and the Anti Corruption Code of Conduct.

In addition, there is a whistleblowing hotline, called the Red Line which is accessible to all employees by phone or online. Employees can raise issues in confidence if they are concerned about non compliance with any policy. In addition, a Green Line is available for all external parties via the company website, enabling any third party to raise issues or concerns with Schneider Electric.

Part of the employee annual training comprises business ethics on line training and reminds employees that the Executive Committee requires them to comply with the company's high standard of corporate liability.

(f) The need to act fairly between members of the company.

There is only one shareholder of the company the Schneider Electric Group.

Future developments

The company's subsidiaries have considerable financial resources together with long term contracts with a number of customers and suppliers across the different segments. The directors believe that the company is well placed to manage its business risks successfully for the foreseeable future.

Principal risk and uncertainties

The principal commercial risks and uncertainties facing the company are changes in market conditions and foreign currency exchange rates. These are mitigated through the use of forward contracts taken out via the Schneider Electric Group Treasury function as much as possible.

This report was approved by the board on 20 September 2023

and signed on its behalf.

DocuSigned by:

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AM Sage
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Principal activity

The company is a holding company.

Business review and future developments

The directors do not expect any change in the principal activity during the next financial year.

Results and dividends

The profit for the year, after taxation, amounted to £823,000 (2021 - £6,946,000).

A dividend of £100,000,000 was paid in the current year (2021: £NIL).

During the year the company continued its programme of striking off dormant subsidiary companies, this will continue in 2023.

Directors

The directors who served during the year and up to the date of signing of these accounts were:

T Lambeth (resigned 31 March 2022)

K J Becker

A M Sage (appointed 15 February 2022)

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate.

The company's day to day working capital requirements and short and long term finance are provided by the Schneider Electric group. An annual review takes place with the Group Treasury Department to look at long and short term financing needs and appropriate facilities are put in place. No support has been formally requested from the ultimate parent company however at the date of approval of these financial statements, there is nothing to indicate that such support would not be available.

Based upon the forecasts prepared for the next twelve months, and after making appropriate enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the company's annual financial statements.

Qualifying third party indemnity provisions

The ultimate parent company (note 21) made provision throughout the year for all directors' indemnity.

Disclosure of information to auditor

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

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

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 20 September 2023

and signed on its behalf.

DocuSigned by:

Antoine Sage

A M Sage
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BTR INDUSTRIES LIMITED

Independent auditor's report to the members of BTR Industries Limited

Opinion

We have audited the financial statements of BTR Industries Limited (the "company") for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BTR INDUSTRIES LIMITED

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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BTR INDUSTRIES LIMITED

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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as: tax legislation, the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements including the risk of management override of controls, and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.


INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BTR INDUSTRIES LIMITED

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 the audit 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.



Valerie Levi (Sep 25, 2023 12:07 GMT+1)

Valerie Levi (Senior Statutory Auditor)

for and on behalf of

Mazars LLP

Chartered Accountants and Statutory Auditor

One St Peter's Square

Manchester

M2 3DE

Date: 25/09/2023

BTR Industries Limited

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
Administrative expenses		(518)	6,821
Other operating income	4	383	-
Operating (loss)/profit	5	(135)	6,821
Interest receivable and similar income	8	1,005	196
Interest payable and similar expenses	9	(21)	(71)
Profit before tax		849	6,946
Tax on profit	10	(26)	-
Profit for the financial year		823	6,946
Total comprehensive income for the year		823	6,946

The notes on pages 13 to 25 form part of these financial statements.

BTR Industries Limited
REGISTERED NUMBER: 00478575

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets			
Investments	12	478,596	478,596
		<u>478,596</u>	<u>478,596</u>
Current assets			
Debtors: amounts falling due within one year	13	16	142,213
Cash and cash equivalents	14	38,993	-
		<u>39,009</u>	<u>142,213</u>
Creditors: amounts falling due within one year	15	(489,354)	(493,111)
Net current liabilities		<u>(450,345)</u>	<u>(350,898)</u>
Total assets less current liabilities		<u>28,251</u>	<u>127,698</u>
Provisions for liabilities			
Other provisions	17	(711)	(981)
		<u>(711)</u>	<u>(981)</u>
Net assets		<u><u>27,540</u></u>	<u><u>126,717</u></u>
Capital and reserves			
Called up share capital	18	500	500
Profit and loss account	19	27,040	126,217
		<u><u>27,540</u></u>	<u><u>126,717</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 September 2023.

DocuSigned by:

Antoine Sage

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A M Sage
Director

The notes on pages 13 to 25 form part of these financial statements.

BTR Industries Limited

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2022	500	126,217	126,717
Comprehensive income for the year			
Profit for the year	-	823	823
Total comprehensive income for the year	-	823	823
Dividends: Equity capital	-	(100,000)	(100,000)
At 31 December 2022	500	27,040	27,540

The notes on pages 13 to 25 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2021	500	119,271	119,771
Comprehensive income for the year			
Profit for the year	-	6,946	6,946
Total comprehensive income for the year	-	6,946	6,946
At 31 December 2021	500	126,217	126,717

The notes on pages 13 to 25 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

The financial statements of BTR Industries Limited (the "company") for the year ended 31 December 2022 were authorised for issue by the board of directors and the statement of financial position was signed on the board's behalf by A M Sage. BTR Industries Limited is a private limited company incorporated by shares and domiciled in England.

The company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The company has taken advantage of the exemption under s401 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Schneider Electric SE, a company incorporated in France.

The results of BTR Industries Limited are included in the consolidated financial statements of Schneider Electric SE which are available to the public and can be obtained as set out in note 21.

The company owns 46.35% of Sorbo Ten Limited; this subsidiary is deemed to be controlled by BTR Industries Ltd as it is a wholly owned subsidiary of the SE Group. This subsidiary does not have a NBV ascribed to it and as such is not deemed to be a material departure from IFRS.

The following principal accounting policies have been applied:

2.2 New and revised IFRSs

The adoption of the following mentioned standards, amendments and interpretations in the current year have not had a material impact on the company's financial statements for the year ended 31 December 2022.

UK-adopted	Effective date:
IAS 16 - Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
IAS 37 - Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
IFRS 3 - Reference to the Conceptual Framework	1 January 2022
Annual Improvements to IFRS Standards 2018-2020	1 January 2022

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.3 Financial Reporting Standard 101 - reduced disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

This information is included in the consolidated financial statements of Schneider Electric SE as at 31 December 2022 and these financial statements may be obtained from 35, Rue Joseph Monier, F-92506 RUEIL MALMAISON, France.

For certain disclosure exemptions listed above the equivalent disclosures are included in the consolidated financial statements of Schneider Electric SE which are available to the public and can be obtained as set out in note 21.

2.4 Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate.

The company's day to day working capital requirements and short and long term finance are provided by the Schneider Electric group. An annual review takes place with the Group Treasury Department to look at long and short term financing needs and appropriate facilities are put in place. No support has been formally requested from the ultimate parent company however at the date of approval of these financial statements, there is nothing to indicate that such support would not be available.

Based upon the forecasts prepared for the next twelve months, and after making appropriate enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the company's annual financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.5 Interest income

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

2.6 Finance costs

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

2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.8 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income 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 in the countries where the company operates and generates income.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Debtors

Short term debtors are measured at transaction price, less any expected credit loss (ECL). Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any ECL.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.13 Provisions for liabilities

The company currently recognises provisions for a number of liabilities including environmental claims and onerous leases. The amounts recognised for provisions represent the best estimate of the probable outflow of resources embodying economic benefits that will be required to settle these liabilities. No provisions are recognised for contingent liabilities. Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events, or current obligations that are not recognised because it is not probable that they will result in an outflow of resources embodying economic benefits or because the amount of the obligation cannot be measured with sufficient reliability.

The determination of whether a liability should be disclosed as a contingent liability or recognised as a provision requires judgements to be made on the existence of a present obligation and the probability of future events. When a provision is required the amount recognised is determined using judgements and assumptions, based on current knowledge, to estimate the amount and timing of future cash outflows arising from the liabilities.

2.14 Preference shares

The company's issued redeemable non-cumulative preference shares have been treated as equity.

2.15 Financial instruments

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Fair value through profit or loss

All of the company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Impairment of financial assets

The company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.15 Financial instruments (continued)

Financial liabilities

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The following are critical judgments that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements. There are no areas of estimation uncertainty.

Impairment of investments

Determining whether investments are impaired requires an estimation of the value of each investment. This valuation requires an estimate of the future cash flows expected to arise from the investment, and a suitable discount rate in order to calculate the present value. The discount rate used at 31 December 2022 was 8.3% which is calculated using the Schneider Electric Group WACC adjusted for UK market.

BTR Industries Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. Other operating income

	2022	2021
	£000	£000
Other operating income	383	-
	383	-

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2022	2021
	£000	£000
Exchange losses	-	23

6. Auditor's remuneration

The auditor's remuneration is borne by another company within the group.

7. Employees

The company has no employees other than the directors, who did not receive any remuneration (2021 - £NIL).

The directors are employed by other group companies within the Schneider Electric group and are remunerated by fellow group companies for their services to the group as a whole. It is not practical to allocate their remuneration for their services as a director between group companies.

8. Interest receivable

	2022	2021
	£000	£000
Interest receivable from group companies	1,005	196
	1,005	196

9. Interest payable and similar expenses

	2022	2021
	£000	£000
Interest payable on loans from group companies	21	71
	21	71

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Taxation

	2022	2021
	£000	£000
Corporation tax		
Adjustments in respect of previous periods	26	-
	26	-
Total current tax	26	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	26	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022	2021
	£000	£000
Profit on ordinary activities before tax	849	6,946
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	161	1,320
Effects of:		
Adjustments to tax charge in respect of prior periods	26	-
Group relief	(161)	(1,320)
Total tax charge for the year	26	-

Factors that may affect future tax charges

Deferred tax assets not recognised in the balance sheet are as follows:

	2022	2021
	£000	£000
Capital losses	1,438,991	1,438,991
	1,438,991	1,438,991

BTR Industries Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Taxation (continued)

The deferred tax assets have not been recognised since there is no persuasive evidence that there will be suitable taxable profits against which the timing differences will reverse. It is likely that the assets will be recoverable once suitable taxable profits are generated.

Deferred tax not recognised has been calculated using the standard rate of UK corporation tax of 25% (2021: 25%).

11. Dividend paid

	2022 £000	2021 £000
Dividend paid	100,000	-
	100,000	-

12. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2022	3,641,199
At 31 December 2022	3,641,199
Impairment	
At 1 January 2022	3,162,603
At 31 December 2022	3,162,603
Net book value	
At 31 December 2022	478,596
At 31 December 2021	478,596

BTR Industries Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
APV Bulgaria Ord	165 Street No. 3 Izgrev region, Sofia, Bulgaria	Ordinary	64%
BTR European Holdings Limited	Baarnsche dijk 10A, 3741 LSBaarn	Ordinary	100%
BTR Property Holdings Limited	Stafford Park 5, Telford TF3 3BL	Ordinary	100%
Bull Electric Limited	Stafford Park 5, Telford TF3 3BL	Ordinary	100%
Crompton Instruments Limited	Stafford Park 5, Telford TF3 3BL	Ordinary	100%
Crompton Parkinson Limited	Stafford Park 5, Telford TF3 3BL	Deferred	21.87%
Crompton Parkinson Limited	Stafford Park 5, Telford TF3 3BL	Ordinary	78.13%
Curzon Estates Limited	Stafford Park 5, Telford TF3 3BL	Ordinary	99.99%
Eurotherm Holdings Limited	Stafford Park 5, Telford TF3 3BL	Deferred	11.32%
Eurotherm Holdings Limited	Stafford Park 5, Telford TF3 3BL	Ordinary	88.68%
Eurotherm International Investments Limited	Stafford Park 5, Telford TF3 3BL	Ordinary	100%
GloI Powders Limited	Stafford Park 5, Telford TF3 3BL	Ordinary	100%
Hansen Transmissions International Limited	Stafford Park 5, Telford TF3 3BL	Deferred	100%
Hawker Siddeley Overseas Investments Limited	Stafford Park 5, Telford TF3 3BL	Deferred	29.15%
Hawker Siddeley Overseas Investments Limited	Stafford Park 5, Telford TF3 3BL	Ordinary	70.85%
Hawker Siddeley Properties Limited	Stafford Park 5, Telford TF3 3BL	Ordinary	100%
Invensys Overseas Limited	Stafford Park 5, Telford TF3 3BL	Ordinary	100%
Invensys Twenty - One Limited	Stafford Park 5, Telford TF3 3BL	Ordinary	100%
Serck Industries Limited	Stafford Park 5, Telford TF3 3BL	Ordinary	100%
Siebe Investments One Limited	Stafford Park 5, Telford TF3 3BL	Ordinary	100%
Siebe Investments Two Limited	Stafford Park 5, Telford TF3 3BL	Ordinary	100%
Sorbo Ten Limited	Stafford Park 5, Telford TF3 3BL	Ordinary	46.35%
Sorbo Ten Limited	Stafford Park 5, Telford TF3 3BL	Deferred	46.35%

BTR Industries Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Fixed asset investments (continued)**Subsidiary undertakings (continued)**

Name	Registered office	Class of shares	Holding
Sorbo Ten Limited	Stafford Park 5, Telford TF3 3BL	Ordinary B	7.3%
Tecalemit Limited	Stafford Park 5, Telford TF3 3BL	Ordinary	100%
Thomas Tilling Limited	Stafford Park 5, Telford TF3 3BL	Ordinary	100%
Validation Technologies (Europe) Limited	City East Business Park, Ballybrit, Galway. Ireland	Ordinary	100%
Walsh Automation (Europe) Limited	City East Business Park, Ballybrit, Galway. Ireland	Ordinary	100%

13. Debtors

	2022 £000	2021 £000
Amounts owed by group undertakings	16	142,213
	16	142,213

Amounts owed by group undertakings of £Nil (2021: £141,961,000) bear interest at SONIA +0.25% (2021: LIBOR +0.25%) and of £16,000 (2021: £252,000) are interest free and repayable on demand.

14. Cash and cash equivalents

	2022 £000	2021 £000
Cash at bank and in hand	38,993	-
	38,993	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Creditors: Amounts falling due within one year

	2022	2021
	£000	£000
Bank overdrafts	-	4,544
Amounts owed to group undertakings	489,171	487,861
Corporation tax	25	-
Accruals and deferred income	158	706
	489,354	493,111

Amounts owed to group undertakings are interest free (2021: interest free) and are repayable on demand.

16. Financial instruments

	2022	2021
	£000	£000
Financial assets		
Financial assets measured at fair value through profit or loss	38,993	-
Financial assets that are debt instruments measured at amortised cost	16	142,213
	39,009	142,213
Financial liabilities		
Financial liabilities measured at amortised cost	(489,330)	(493,111)

Financial assets measured at fair value comprise cash and cash equivalents.

Financial assets measured at amortised cost comprise of amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise of amounts owed to group undertakings, bank overdrafts and accruals and deferred income.

BTR Industries Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. Provisions

	Property provision £000	Environmental provision £000	Total £000
At 1 January 2022	386	595	981
Charged to profit or loss	-	195	195
Utilised in year	(386)	(79)	(465)
At 31 December 2022	-	711	711

The environmental provision is for industrial disease claims and will be used as valid claims are received by the company, this is expected to be utilised within the next 5 years.

The property provision relates to dilapidation costs on leases for property that has been handed back to the landlord. The provision was utilised when agreement was completed with landlord during the year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

18. Share capital

	2022	2021
	£000	£000
Allotted, called up and fully paid		
250,000 Ordinary shares of £1 each	250	250
250,000 10% Redeemable non-cumulative preference shares of £1 each	250	250
	500	500

Ordinary shares carry one vote per share, are entitled to participate equally in dividends and, if the company is wound up, share in the proceeds of the company's assets after all of the debts have been paid.

The 10% non-cumulative preference shares of £1.00 each:

- i) Entitle holders, in priority to holders of all other classes of shares, to a fixed non-cumulative preferential dividend at a rate of 10% per annum;
- ii) Can be redeemed by the company at any time at par;
- iii) On return of capital on winding up, or otherwise, carry the right to repayment of capital. This right is in priority to the rights of the ordinary shareholders; and
- iv) Carry the right to attend and vote at any general meeting of the company only if a resolution is to be considered at the meeting (a) for the winding up of the company, (b) for the redemption of the preference shares or (c) varying or abrogating any of the special rights attached to the preference shares.

19. Reserves

Profit & loss account

The profit and loss account reserve represents accumulative profits and losses of the company.

20. Related party transactions

The company is a wholly owned subsidiary of Schneider Electric SE and has taken advantage of the exemption conferred by the Financial Reporting Standard FRS 101 'Reduced Disclosure Framework' (FRS 101) not to disclose transactions with Schneider Electric SE or its subsidiaries.

21. Controlling party

The immediate parent undertaking of BTR Industries Limited is Invensys International Holdings Limited, a company registered in England and Wales.

The smallest and largest group in which the financial statements of the company are consolidated is that headed by the ultimate parent undertaking and ultimate controlling party, Schneider Electric SE, a company incorporated in France. Copies of the accounts of Schneider Electric SE can be obtained from Schneider Electric SE, 35, Rue Joseph Monier, F-92506 RUEIL MALMAISON, France.

The statutory accounts for Schneider Electric SE can be accessed at the following website address: <http://www.schneider-electric.com/en/about-us/investor-relations/>.