

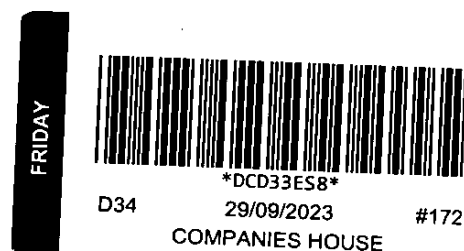
Registered number: 02886434

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**Schneider Electric (UK) Limited**

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



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**Schneider Electric (UK) Limited**

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**COMPANY INFORMATION**

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<b>Directors</b>	B V Blanc K J Becker A M Sage
<b>Company secretary</b>	Invensys Secretaries Limited
<b>Registered number</b>	02886434
<b>Registered office</b>	Stafford Park 5 Telford Shropshire TF3 3BL
<b>Independent auditor</b>	Mazars LLP Chartered Accountants and Statutory Auditor One St Peter's Square Manchester M2 3DE

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**Schneider Electric (UK) Limited**

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**Schneider Electric (UK) Limited**

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

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**Introduction**

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

**Business review**

The Company is a UK holding company and is expected to remain as such for the foreseeable future.

**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 the principle investment of the entity, Schneider Electric Limited, and other subsidiaries.

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 Schneider Electric UK Limited have created an Executive Committee to make strategic decisions on behalf of the Company and to manage the Company 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 Company and its 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.

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 the 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 Company to meet its defined benefit pension scheme obligations.

- (b) the interests of the Company's employees

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**Schneider Electric (UK) Limited**

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

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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;

A live quarterly broadcast to all employees by the Zone President, this lasts for approximately one hour covering important issues at the time, including Company results, innovative solutions developed by the Company's employees, recognition of employees who have reached milestone years of service, recognition of employees who have delivered customer service excellence.

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 at least one days training 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 visit customers 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 Business Process Excellence team work with a key customer to improve the working relationship and processes for the benefit of both parties.

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 Company's payment practice filing shows that on average suppliers are paid after 61 days. 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.

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**Schneider Electric (UK) Limited**

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

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(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/>.

(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 online 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 member of the Company.

**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.

The principal commercial risks and uncertainties facing the Company are changes in market conditions, fluctuations in raw material prices 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 27 September 2023

and signed on its behalf.

DocuSigned by:  
  
99E5608EA8E0407  
**A M Sage**  
Director

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**Schneider Electric (UK) Limited**

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

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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's principal activity is that of a holding company and is expected to remain as such for the foreseeable future.

**Results and dividends**

The loss for the year, after taxation, amounted to £10,723,000 (2021 - loss £7,540,000).

No dividend was paid during the year (2021 - £Nil).

**Directors**

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

B V Blanc  
T Lambeth (resigned 31 March 2022)  
K J Becker  
A M Sage (appointed 15 February 2022)

**Future developments**

Future developments are set out in the Strategic Report on page 3.

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**Schneider Electric (UK) Limited**

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

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**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 17) made provision throughout the year for all directors' indemnity.

**Statement of corporate governance arrangements**

The Company follows the Wates Corporate Governance Principles for large private companies. The implementation of the six principles by the Company is noted below.

**Purpose and leadership**

The Company is wholly owned subsidiary of the Schneider Electric Group, the strategic decisions of the Group have a major influence on the decisions of the Company. Additional details on the Executive committee and the way it functions can be found in the Strategic Report on pages 1 to 3.

**Board composition**

The key decisions of the Company are made by the Executive Committee, details of the composition of the Executive Committee can be found in the Strategic Report on pages 1 to 3. The annual appraisal and goal setting procedure applies to the Executive Committee members in the same way as for all other employees of the Company. The Executive Committee will take into account the needs of all stakeholders and UK regulatory requirements when implementing the Schneider Electric Group goals.

**Director responsibilities**

The Executive Committee meets on a monthly basis, each member of the Executive Committee has a clearly defined area of responsibility for either a cash generating unit or a support function. Many of the processes and systems of the Company are implemented by the Schneider Electric Group worldwide, local implementation is done by employees with relevant experience and qualifications.

**Opportunity and risk**

The Executive Committee will be guided by the Schneider Electric Group's vision when considering the impact of key decisions. More information on this is set out in the Strategic Report on pages 1 to 3.

**Remuneration**

The Schneider Electric group have an annual remuneration review for all employees including the Executive Committee. There are short term and long term incentive schemes created by the Schneider Electric Group which are relevant for the Executive Committee.

**Stakeholder relationships and engagement**

Information on this is set out in the Strategic Report on pages 1 to 3



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**Schneider Electric (UK) Limited**

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

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**Post balance sheet events**

The repayment of a loan of £50m due to a Schneider Electric Group company that was due to be repaid in June 2023 has been extended by six months and is now repayable in December 2023. The interest rate remains unchanged at 3.0966%

**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 27 September 2023

and signed on its behalf.

DocuSigned by:  
  
99E560BEA8E0407...  
**A M Sage**  
Director

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**Schneider Electric (UK) Limited**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCHNEIDER ELECTRIC (UK) LIMITED**

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**Independent auditor's report to the members of Schneider Electric (UK) Limited**

**Opinion**

We have audited the financial statements of Schneider Electric (UK) 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 loss 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.

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**Schneider Electric (UK) Limited**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCHNEIDER ELECTRIC (UK) LIMITED**

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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.

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**Schneider Electric (UK) Limited**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCHNEIDER ELECTRIC (UK) LIMITED**

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**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.

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**Schneider Electric (UK) Limited**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCHNEIDER ELECTRIC (UK) LIMITED**

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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](http://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.

*Tim Hudson*

Timothy Hudson (Senior Statutory Auditor)

for and on behalf of

**Mazars LLP**

Chartered Accountants and Statutory Auditor

One St Peter's Square

Manchester

M2 3DE

Date: Sep 27, 2023

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**Schneider Electric (UK) Limited**

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

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	Note	2022 £000	2021 £000
Interest receivable and similar income	6	-	142
Interest payable and similar expenses	7	(6,723)	(7,682)
<b>Loss before tax</b>		<b>(6,723)</b>	<b>(7,540)</b>
Tax on loss	8	-	-
<b>Loss for the financial year</b>		<b>(6,723)</b>	<b>(7,540)</b>
 <b>Total comprehensive income for the year</b>		 <b>(6,723)</b>	 <b>(7,540)</b>


The notes on pages 14 to 23 form part of these financial statements.

**Schneider Electric (UK) Limited**  
**REGISTERED NUMBER: 02886434**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
<b>Fixed assets</b>			
Investments	9	190,636	190,636
		<u>190,636</u>	<u>190,636</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	11,854	11,854
		<u>11,854</u>	<u>11,854</u>
Creditors: amounts falling due within one year	11	(134,096)	(77,373)
<b>Net current liabilities</b>		<u>(122,242)</u>	<u>(65,519)</u>
<b>Total assets less current liabilities</b>		<u>68,394</u>	<u>125,117</u>
Creditors: amounts falling due after more than one year	12	(50,000)	(100,000)
<b>Net assets</b>		<u>18,394</u>	<u>25,117</u>
<b>Capital and reserves</b>			
Called up share capital	13	75,665	75,665
Profit and loss account	14	(57,271)	(50,548)
		<u>18,394</u>	<u>25,117</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2023

DocuSigned by:  
  
 99E5608EA8E0407...  
**A M Sage**  
 Director

The notes on pages 14 to 23 form part of these financial statements.

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**Schneider Electric (UK) Limited**

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

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	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2022	75,665	(50,548)	25,117
<b>Comprehensive income for the year</b>			
Loss for the year	-	(6,723)	(6,723)
<b>Total comprehensive income for the year</b>	-	(6,723)	(6,723)
<b>At 31 December 2022</b>	<b>75,665</b>	<b>(57,271)</b>	<b>18,394</b>

The notes on pages 14 to 23 form part of these financial statements.

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

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	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2021	75,665	(43,008)	32,657
<b>Comprehensive income for the year</b>			
Loss for the year	-	(7,540)	(7,540)
<b>Total comprehensive income for the year</b>	-	(7,540)	(7,540)
<b>At 31 December 2021</b>	<b>75,665</b>	<b>(50,548)</b>	<b>25,117</b>

The notes on pages 14 to 23 form part of these financial statements.



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## Schneider Electric (UK) Limited

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

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#### 1. General information

The financial statements of Schneider Electric (UK) 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. Schneider Electric (UK) Limited is a private limited company incorporated by shares and domiciled in England and Wales.

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 Schneider Electric (UK) 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 17.

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 and EU- endorsed		Effective date - periods beginning on or after
Amendments to IAS 16	Amendments to IAS 16 - Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to IAS 37	Amendments to IAS 37 - Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Amendments to IFRS 3	Amendments to IFRS 3 - Reference to the Conceptual Framework	1 January 2022
Annual Improvements to IFRS Standards 2018-2020	Annual Improvements to IFRS Standards 2018-2020	1 January 2022

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**Schneider Electric (UK) Limited**

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

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**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 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;
- 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 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 17.

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/>.

**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.

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**Schneider Electric (UK) Limited**

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

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**2. Accounting policies (continued)**

**2.5 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

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

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

**2.6 Interest income**

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

**2.7 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.

**2.8 Borrowing costs**

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

**2.9 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted company shares, which have been classified as fixed asset investments as the Company intends to hold them on a continuing basis are reviewed annually for any impairment.

**2.10 Debtors**

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

**2.11 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.

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**Schneider Electric (UK) Limited**

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

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**2. Accounting policies (continued)**

**2.12 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.

**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

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**Schneider Electric (UK) Limited**

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

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**2. Accounting policies (continued)**

**2.12 Financial instruments (continued)**

financial liability.

**2.13 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 critical judgements to be disclosed.

**Impairment of investments and loans to subsidiaries**

Determining whether investments and loans to subsidiaries 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. These values rates were established based on conditions that existed at 31 December 2022.

- The discount rate used at 31 December 2022 was 8.3% (2021: 7.3%) which is calculated using the Schneider Electric Group WACC adjusted for UK market.
- The future cash flows have been determined based on an average annual increase in turnover of 1.69% over 10 year period.
- An average return on sales of 5.53% has been used over 10 year period of the forecast.

**4. Auditor's remuneration**

The auditor's remuneration was borne by a fellow group undertaking.

**5. Employees**

There were no employees during the year (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.

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**Schneider Electric (UK) Limited**

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

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**6. Interest receivable and similar income**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Interest receivable from group companies	-	142
	<u>-</u>	<u>142</u>
	<u>-</u>	<u>142</u>

**7. Interest payable and similar expenses**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Loan interest payable to group companies	6,723	7,682
	<u>6,723</u>	<u>7,682</u>
	<u>6,723</u>	<u>7,682</u>

**8. Taxation**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

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**Schneider Electric (UK) Limited**

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

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**8. Taxation (continued)**

**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 19.00% (2021 - 19.00%). The differences are explained below:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Loss on ordinary activities before tax	<b>(10,723)</b>	<b>(7,540)</b>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2021 - 19.00%). The differences are explained below:	<b>(2,037)</b>	<b>(1,433)</b>
<b>Effects of:</b>		
Group relief	<b>2,037</b>	<b>1,433</b>
<b>Total tax charge for the year</b>	<b>-</b>	<b>-</b>

**Factors that may affect future tax charges**

The Finance Act 2021, which increases the U.K. corporate tax main rate from 19% to 25% from 1 April 2023, was substantively enacted in May 2021.

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**Schneider Electric (UK) Limited**


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


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**9. Fixed asset investments**

	<b>Investments in subsidiary companies £000</b>
<b>Cost or valuation</b>	
At 1 January 2022	<b>190,636</b>
At 31 December 2022	<b>190,636</b>

**Subsidiary undertakings**

The following are subsidiaries of the Company at 31 December 2022.

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
Schneider Electric Limited	Stafford Park 5, Telford TF3 3BL	Ordinary	100%
M & C Energy Group Limited	Stafford Park 5, Telford TF3 3BL	Ordinary	90.32%
M & C Energy Group Limited	Stafford Park 5, Telford TF3 3BL	Employee	9.62%
Get Group Limited	Stafford Park 5, Telford TF3 3BL	Ordinary	100%
Jo-EI Electric Limited	Stafford Park 5, Telford TF3 3BL	Ordinary	100%
Merlin Gerin Limited	Stafford Park 5, Telford TF3 3BL	Ordinary	17.79%
Merlin Gerin Limited	Stafford Park 5, Telford TF3 3BL	Ordinary A	2.71%
Merlin Gerin Limited	Stafford Park 5, Telford TF3 3BL	Ordinary B	11.84%
Merlin Gerin Limited	Stafford Park 5, Telford TF3 3BL	Ordinary C	67.66%
Schneider Electric Energy Holdings UK Limited	Stafford Park 5, Telford TF3 3BL	Ordinary	100%
Schneider Electric Energy UK Limited	Stafford Park 5, Telford TF3 3BL	Ordinary	100%
Yorkshire Switchgear Group Limited	Stafford Park 5, Telford TF3 3BL	Ordinary	100%
Schneider Electric Energy UK Ltd	Stafford Park 5, Telford TF3 3BL	Ordinary	100%

**10. Debtors**

	<b>2022 £000</b>	<b>2021 £000</b>
Current: Amounts owed by group undertakings	<b>11,854</b>	<b>11,854</b>
	<b>11,854</b>	<b>11,854</b>



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**Schneider Electric (UK) Limited**


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


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**10. Debtors (continued)**

Amounts owed by group undertakings comprise £11,854,000 (2021: £11,854,000) which are unsecured, interest free and repayable on demand.

**11. Creditors: Amounts falling due within one year**

	2022 £000	2021 £000
Bank loans	25,134	22,224
Amounts owed to group undertakings	108,962	55,149
	<b>134,096</b>	<b>77,373</b>

Repayment Date	Interest Rate	2022 £000	2021 £000
December 2022	3.65%	-	50,000
June 2023	Sonia +3.0966%	50,000	-
December 2023	3.96%	50,000	-
July 2023	-	151	151
On demand	Sonia +0.75%	8,310	-
On demand	Libor +0.75%	-	4,649
On demand	-	500	500

£50,000,000 is due for repayment on 22 December 2023 with an interest rate of 3.96%.

The remaining amount owed to group undertakings are unsecured, repayable on demand and charge interest at SONIA +0.75% (2021: unsecured, LIBOR +0.75% and are repayable on demand).

**12. Creditors: Amounts falling due after more than one year**

	2022 £000	2021 £000
Amounts owed to group undertakings	50,000	100,000
	<b>50,000</b>	<b>100,000</b>

Repayment date	Interest rate	Security	Loan value 2022 £	Loan value 2021 £
22 December 2023	3.96%	Unsecured	Nil	50,000,000
22 December 2026	4.49%	Unsecured	50,000,000	50,000,000

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**Schneider Electric (UK) Limited**

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

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**13. Share capital**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
<b>Allotted, called up and fully paid</b>		
75,664,658 (2021 - 75,664,658) Ordinary shares of £1.00 each	<b>75,665</b>	<b>75,665</b>

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 the debts have been paid.

**14. Reserves****Profit and loss account**

The profit and loss account reserve represents cumulative profits and losses of the Company.

**15. 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.

**16. Controlling party**

The immediate parent undertaking of Schneider Electric (UK) Limited is Schneider Electric Industries SAS, a company registered in France.

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/>.