

National Instruments Corporation (UK) Limited

Registered number: 02999356

Annual Report and Financial Statements

For the year ended 31 December 2022

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NATIONAL INSTRUMENTS CORPORATION (UK) LIMITED

COMPANY INFORMATION

Directors	K H Spurck A E Percival J S McElroy
Registered number	02999356
Registered office	Spaces 1650 Arlington Business Park Theale Reading Berkshire United Kingdom RG7 4SA
Independent auditor	Ernst & Young Chartered Accountants Harcourt Centre Harcourt Street Dublin 2 Ireland
Bankers	CitiBank N.A 33 Canada Square Canary Wharf London E14 5LB
Solicitors	Fox Williams LLP 10 Finsbury Square London EC2A 1AF Fladgate LLP 16 Great Queen Street London WC2B 5DG

NATIONAL INSTRUMENTS CORPORATION (UK) LIMITED

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NATIONAL INSTRUMENTS CORPORATION (UK) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The directors present their Strategic Report with the audited financial statements of National Instruments (UK) Limited ('the company') for the year ended 31 December 2022.

Principal activity

The principal activity of National Instruments Corporation (UK) Limited is the provision of a sales support function in the marketing of its parent company's test and data management software and hardware products used by engineers and scientists across a broad range of industries.

Review of the business and future developments

The company's key financial and other performance indicators during the year were as follows:

	2022 £	2021 £	% change
Turnover	42,542,696	37,824,066	12.48
Profit before taxation	961,109	758,768	26.67
Shareholders' funds	2,090,123	1,273,657	64.10
Average number of employees	78	78	

During 2022 turnover increased by £4,718,630 to £42,542,696 representing an increase of 12.48% over 2021.

	2022 £	2021 £	% change
Intercompany recharges (including mark-up)	6,020,279	5,753,857	4.63
Direct Sales to Customers	36,522,417	32,070,209	13.88
Total turnover	<u>42,542,696</u>	<u>37,824,066</u>	<u>12.48</u>

The profit before tax has increased by £202,341 during the year to a profit before tax of £961,109. In February 2022, there was an increase in the selling price resulting in an increase in turnover which has been the predominant factor driving this increase in profitability.

NATIONAL INSTRUMENTS CORPORATION (UK) LIMITED

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

Principal risks and uncertainties

Economic risk

A global shortage of key components has and may continue to adversely affect our business and results of operations.

Various factors, including increased demand for certain components and production delays due to COVID-19 and other natural events and disasters, are contributing to shortages of certain components used in our products and increased difficulties in our ability to obtain a consistent supply of materials at stable pricing levels. The supply shortages have increased the costs and lead times for certain components. Longer lead times may cause a significant disruption to our production activities, which could have a substantial adverse effect on our financial condition or results of operations. If we are unsuccessful in resolving any such component shortages in a timely manner, we will experience a significant impact on the timing of revenue, a possible loss of revenue, or an increase in manufacturing costs, any of which would have a material adverse impact on our operating results.

Currency risk

The company has limited transactional currency exposures which arise from sales and purchases in currencies other than its functional currency as well as the currency risk associated with intercompany transactions in various currencies. Potential exposure to foreign currency exchange rate movements is monitored by the parent company through cash flow forecasts in all currencies in which the company trades. These are reviewed monthly and appropriate actions are taken to manage net open foreign currency positions.

Liquidity and cash flow risk

Cash flow risk is the risk that inflows and outflows of cash and cash equivalents will not be sufficient to finance day-to-day operations of the company. Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company manages cash flow and liquidity risk by careful negotiation of terms with customers and suppliers and maintains available funds to enable them to meet their liabilities as they fall due.

Competitor risk

Competitor risk is the risk that turnover will be lost to other companies entering the markets in which the company operates. The company manages this risk by operating within a broad range of markets and selling to a large portfolio of customers.

This report was approved by the board and signed on its behalf by:



K H Spurck
Director

Date: Dec 20, 2023

NATIONAL INSTRUMENTS CORPORATION (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report with the audited financial statements of National Instruments (UK) Limited ('the company') for the year ended 31 December 2022.

Directors

The directors who served during the year and to the date of this report, unless otherwise stated, were:

Jerome Meyer (appointed 6 October 2022, resigned 15 August 2023)
Pedro Andrade (appointed 1 October 2021, resigned 6 October 2022)
Kathleen Heard Spurck (appointed 15 August 2023)
Albert Edward Percival (appointed 15 August 2023)
John Stanton McElroy (appointed 15 August 2023)

The directors have no direct interest in the share capital of the company.

Results and dividends

The profit for the year, after taxation, amounted to £763,034 (2021: profit of £705,759).

The total distribution of dividends for the year ended 31 December 2022 was £nil (2021: £700,000).

Future developments

The directors are satisfied with the results for the year in the current economic environment and believes that the company remains in a good position to take advantage of upcoming business opportunities.

Both the level of business and the position at 31 December 2022 were satisfactory, and the directors expect that the level of business will continue to increase as a result of the investments made in prior years.

Director's qualifying third party indemnity provision

The company has granted an indemnity to the directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity remains in force at the date of approving the director's report.

Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report.

The directors have formed this view on the basis that the parent undertaking, National Instruments Corporation has provided written confirmation to the directors that it will continue to provide financial support to the company to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

Research and Development

The company did not engage in any research and development activity during the year.

NATIONAL INSTRUMENTS CORPORATION (UK) LIMITED

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

Post balance sheet events

On 11 October 2023, Emerson Electric Co. completed its acquisition of the group headed by National Instruments Corporation. Emerson Electric Co. is a global technology and software company providing innovative solutions for the world's essential industries. National Instruments Corporation will become a new reported segment within Emerson Electric Co. called Test & Measurement and will be consolidated into the Software and Control group.

Branches

The company operates a sales branch in the Republic of Ireland.

Donations

The company made no political donations during the year.

Economic impact of global events

UK businesses are currently facing many uncertainties such as the consequences of Brexit, COVID-19, environmental sustainability and geopolitical events such as the Russian invasion of Ukraine. These uncertainties have contributed to an environment where there exists a range of issues and risks, including inflation, rising interest rates, labour shortages, disrupted supply chains and new ways of working.

The directors have carried out an assessment of the potential impact of these uncertainties on the business, including the impact of mitigation measures, and has concluded that these are non-adjusting events with the greatest impact on the business expected to be from the economic ripple effect on the global economy. The directors have taken account of these potential impacts in their going concern assessment.

The company continues to work with its partners to minimise any impacts of these events and maximise the realisation of any opportunities they may provide to the business.

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 directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have 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, Ernst & Young, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:



K H Spurck
Director

Date: Dec 20, 2023

NATIONAL INSTRUMENTS CORPORATION (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgements 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; and
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL INSTRUMENTS CORPORATION (UK) LIMITED

Opinion

We have audited the financial statements of National Instruments Corporation (UK) Limited 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 the related notes 1 to 24, 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view 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 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL INSTRUMENTS CORPORATION (UK) LIMITED (Continued)

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 this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL INSTRUMENTS CORPORATION (UK) LIMITED (Continued)

Responsibilities of directors

As explained more fully in the director's responsibilities statement set out on page 5, 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are FRS 102, the Companies Act 2006 and the relevant tax compliance regulations in the UK. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to health and safety and employee matters;
- We understood how the company is complying with those frameworks by making enquiries of management. We corroborated our enquires through reading the minutes of board meetings, and we noted that there was no contradictory evidence;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by inquiry of management, those charged with governance and others within the company, as to whether they have knowledge of any actual or suspected fraud. Where this risk was considered higher, we performed audit procedures to address the fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error;

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL INSTRUMENTS CORPORATION (UK) LIMITED (Continued)

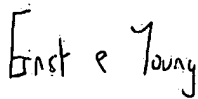
Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved reading minutes of board meetings to identify any non-compliance with laws and regulations and enquiries of management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Justin Sherwood (Senior statutory auditor)
for and on behalf of Ernst & Young Chartered Accountants and Statutory Audit Firm
Dublin

20 December 2023

NATIONAL INSTRUMENTS CORPORATION (UK) LIMITED

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

	Note	2022 £	2021 £
Turnover	3	42,542,696	37,824,066
Cost of sales		(30,954,620)	(27,033,291)
Gross profit		11,588,076	10,790,775
Administrative expenses		(10,625,947)	(10,036,309)
Operating profit	4	962,129	754,466
Finance income	7	365	4,302
Finance costs	8	(1,385)	-
Profit before tax		961,109	758,768
Tax on profit	9	(198,075)	(53,009)
Profit for the financial year		763,034	705,759
Other comprehensive income		-	-
Total comprehensive income for the year		763,034	705,759

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The notes on pages 13 to 26 form part of these financial statements.

NATIONAL INSTRUMENTS CORPORATION (UK) LIMITED
REGISTERED NUMBER: 02999356

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	11	4,699,076	4,998,772
		<u>4,699,076</u>	<u>4,998,772</u>
Current assets			
Debtors: amounts falling due within one year	12	11,735,010	7,103,081
Cash at bank and in hand	13	1,206,481	800,528
		<u>12,941,491</u>	<u>7,903,609</u>
Creditors: amounts falling due within one year	14	(15,550,444)	(11,628,724)
Net current liabilities		<u>(2,608,953)</u>	<u>(3,725,115)</u>
Total assets less current liabilities		<u>2,090,123</u>	<u>1,273,657</u>
Net assets		<u>2,090,123</u>	<u>1,273,657</u>
Capital and reserves			
Called up share capital	16	10,000	10,000
Share premium account	17	337,260	337,260
Share options reserve	17	440,076	386,644
Retained earnings	17	1,302,787	539,753
Total equity		<u>2,090,123</u>	<u>1,273,657</u>

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

Kathleen Spurck

K H Spurck
Director

The notes on pages 13 to 26 form part of these financial statements.

NATIONAL INSTRUMENTS CORPORATION (UK) LIMITED

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

	Called up share capital £	Share premium account £	Share options reserve £	Retained earnings £	Total equity £
At 1 January 2021	10,000	337,260	308,916	533,994	1,190,170
Comprehensive income for the year					
Profit for the year	-	-	-	705,759	705,759
Total comprehensive income for the year	-	-	-	705,759	705,759
Contributions by and distributions to owners					
Dividends declared	-	-	-	(700,000)	(700,000)
Share-based payments (Note 18)	-	-	775,965	-	775,965
Group recharge of share-based payment expense	-	-	(698,237)	-	(698,237)
At 1 January 2022	10,000	337,260	386,644	539,753	1,273,657
Comprehensive income for the year					
Profit for the year	-	-	-	763,034	763,034
Total comprehensive income for the year	-	-	-	763,034	763,034
Contributions by and distributions to owners					
Share-based payments (Note 18)	-	-	750,939	-	750,939
Group recharge of share-based payment expense	-	-	(697,507)	-	(697,507)
At 31 December 2022	10,000	337,260	440,076	1,302,787	2,090,123

The notes on pages 13 to 26 form part of these financial statements.

NATIONAL INSTRUMENTS CORPORATION (UK) LIMITED

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

1. General information

National Instruments Corporation (UK) Limited is a limited liability company incorporated in England and Wales. On 31 August 2023, the company changed its registered office from Highdown House, Yeoman Way, Worthing, West Sussex, United Kingdom, BN99 3HH to Spaces 1650 Arlington Business Park, Theale, Reading, Berkshire, United Kingdom, RG7 4SA.

The principal activity of the company during the year continued to be the provision of a sales support function in the marketing of its parent company's test and data management software and hardware products used by engineers and scientists across a broad range of industries.

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 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in GBP which is the currency of the primary economic environment in which the company operates and are rounded to the nearest Pound.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirement of Section 4 - Statement of Financial Position paragraph 4.12(a)(iv)
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirement of Section 33.1A - Related Party Transactions
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of National Instruments Corporation as at 31 December 2022 and these financial statements may be obtained from the company secretary of National Instruments Corporation, Company Secretary, 11500 North MoPac Expressway, Austin, Texas, 78759-3504, United States.

NATIONAL INSTRUMENTS CORPORATION (UK) LIMITED

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

2. Accounting policies (continued)

2.3 Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report.

The directors have formed this view on the basis that the parent undertaking, National Instruments Corporation has provided written confirmation to the directors that it will continue to provide financial support to the company to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

2.4 Foreign currency translation

Functional and presentation currency

The company's functional and presentation 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.

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

All foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'administrative expenses'.

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.6 Operating leases agreements

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

2.7 Finance income

Finance income is recognised in the Statement of Comprehensive Income using the effective interest method.

NATIONAL INSTRUMENTS CORPORATION (UK) LIMITED

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

2. Accounting policies (continued)

2.8 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

2.9 Pensions

The company makes contributions to the personal pension schemes of certain employees. Contributions are charged to the Statement of Comprehensive Income as they become payable in accordance with the rules of the scheme. These schemes are independently administered and the funds are held separately from the company.

2.10 Share-based payments

The company's ultimate parent company operates a number of share-based compensation plans, where benefits are granted to employees of various subsidiaries of the Corporation. In the company's financial statements the fair value of the employee services received in exchange for the equity instrument granted is recognised as an employee expense in the Statement of Comprehensive Income, with a corresponding entry in the share options reserve. The company measures the fair value of the employee services received by reference to the fair value of the equity instruments granted. Fair value of share options is determined using the Black-Scholes model, while the fair value of shares awarded is estimated as the market price of the shares at the grant date.

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

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

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

NATIONAL INSTRUMENTS CORPORATION (UK) LIMITED

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

2. Accounting policies (continued)

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

Depreciation is provided on the following basis:

Buildings	- 30 years
Fixtures, fittings and equipment	- 3 to 8 years
Land	- not depreciated

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Depreciation is charged to 'administrative expenses' in the Statement of Comprehensive Income.

2.13 Debtors: amounts falling due within one year

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.

2.14 Cash at bank and in hand

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.

2.15 Creditors: amounts falling due within one year

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NATIONAL INSTRUMENTS CORPORATION (UK) LIMITED

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

2. Accounting policies (continued)

2.16 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.17 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.

NATIONAL INSTRUMENTS CORPORATION (UK) LIMITED

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

3. Turnover

Turnover, which excludes value added tax, represents products sold directly to customers in the UK and Ireland recognising revenue accordingly.

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Sales of goods and services direct to customers	36,522,417	32,070,209
Services to group undertakings	6,020,279	5,753,857
	<u>42,542,696</u>	<u>37,824,066</u>

All turnover arose within the United Kingdom.

4. Operating profit

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

	2022 £	2021 £
Depreciation of property and equipment	330,549	325,307
Foreign currency exchange loss/(gain)	134,565	(101,388)
Loss on disposal of fixed assets	-	8
Auditors' remuneration - audit services	21,120	19,538
Auditors' remuneration - taxation services	9,774	12,284
Operating lease rentals - land and buildings	4,836	8,291
Operating lease rentals - other	-	12,284
	<u></u>	<u></u>

NATIONAL INSTRUMENTS CORPORATION (UK) LIMITED

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

5. Employees

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	6,920,972	7,062,548
Social security costs	843,162	804,085
Cost of defined contribution scheme	360,300	287,060
	<u>8,124,434</u>	<u>8,153,693</u>

Included in wages and salaries is £750,939 relating to share-based payments (2021: £775,965).

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

	2022 No.	2021 No.
Sales, marketing and administration	<u>78</u>	<u>78</u>

6. Directors' remuneration

Director's emoluments of all directors that served during 2022 have been borne by other group companies. The directors of the company are also directors or officers of a number of companies within the National Instruments group. The director's services to the company do not occupy a significant amount of their time. As such, the directors do not consider that they received any remuneration for their incidental services to the company for the years ended 31 December 2022 and 31 December 2021.

The directors consider themselves to be the only key management personnel.

7. Finance income

	2022 £	2021 £
Interest receivable from group companies	-	4,215
Other interest receivable	365	87
	<u>365</u>	<u>4,302</u>

NATIONAL INSTRUMENTS CORPORATION (UK) LIMITED

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

8. Finance costs

	2022 £	2021 £
Other interest payable	1,385	-

9. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	268,358	221,129
Adjustments in respect of previous periods	231	-
Overseas taxation	-	(607)
Overseas tax adjustment in respect of prior periods	607	-
Total current tax	269,196	220,522
Deferred tax		
Deferred tax	-	(167,513)
Origination and reversal of timing differences	(62,187)	-
Adjustments in respect of prior periods	(8,934)	-
Total deferred tax	(71,121)	(167,513)
Tax on profit	198,075	53,009

NATIONAL INSTRUMENTS CORPORATION (UK) LIMITED

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

9. Taxation (continued)**Factors affecting tax charge for the year**

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

	2022 £	2021 £
Profit before tax	961,109	758,768
Profit multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	182,611	144,166
Effects of:		
Expenses not deductible for tax purposes	143,747	174,641
Overseas taxation	-	(607)
Losses brought forward	-	(106,104)
Depreciation in excess of capital allowances	37,426	8,426
Origination and reversal of timing differences	(37,814)	(167,513)
Adjustments to tax charge in respect of previous periods - current tax	838	-
Other permanent differences	(104,874)	-
Adjustments to tax charge in respect of previous periods - deferred tax	(8,934)	-
Remeasurement of deferred tax for changes in tax rates	(14,925)	-
Total tax charge for the year	198,075	53,009

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% will apply but with a marginal relief applying as profits increase.

10. Dividends

	2022 £	2021 £
Final dividend paid of £nil (2021: £70 per share)	-	700,000

NATIONAL INSTRUMENTS CORPORATION (UK) LIMITED

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

11. Tangible fixed assets

	Buildings £	Land £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 January 2022	6,121,751	325,000	1,132,554	7,579,305
Additions	-	-	30,853	30,853
At 31 December 2022	6,121,751	325,000	1,163,407	7,610,158
Accumulated depreciation				
At 1 January 2022	1,877,371	-	703,162	2,580,533
Charge for the year	204,058	-	126,491	330,549
At 31 December 2022	2,081,429	-	829,653	2,911,082
Net book value				
At 31 December 2022	4,040,322	325,000	333,754	4,699,076
At 31 December 2021	4,244,380	325,000	429,392	4,998,772

NATIONAL INSTRUMENTS CORPORATION (UK) LIMITED

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

12. Debtors: amounts falling due within one year

	2022 £	2021 £
Trade debtors	11,052,981	6,526,354
Other debtors	14,888	-
Prepayments	386,007	366,714
Deferred taxation (Note 15)	281,134	210,013
	<u>11,735,010</u>	<u>7,103,081</u>

Trade debtors are stated after provisions for impairment of £nil (2021: £23,709).

13. Cash at bank and in hand

	2022 £	2021 £
Cash at bank and in hand	<u>1,206,481</u>	<u>800,528</u>

14. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	444,324	30,785
Amounts owed to group undertakings	6,179,130	3,800,231
Corporation tax	340,721	71,669
Other taxation and social security	1,522,881	1,185,890
Other creditors	110,347	38,134
Accruals and deferred income	6,953,041	6,502,015
	<u>15,550,444</u>	<u>11,628,724</u>

Amounts owed by group undertakings are unsecured, interest-free and payable on demand.

NATIONAL INSTRUMENTS CORPORATION (UK) LIMITED

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

15. Deferred taxation

	2022 £	2021 £
At beginning of year	210,013	42,500
Credited to the Statement of Comprehensive Income	71,121	167,513
At end of year	281,134	210,013

The deferred tax asset is made up as follows:

	2022 £	2021 £
Fixed asset timing differences	(273,278)	(294,644)
Short term timing differences	554,412	504,657
	281,134	210,013

16. Called up share capital

	2022 £	2021 £
Allotted, called up and fully paid		
10,000 (2021: 10,000) ordinary shares of £1 each	10,000	10,000

Each ordinary share entitles the shareholders full voting, dividend and capital distribution rights and they do not confer any rights of redemption.

17. Reserves**Share premium account**

This reserve represents the amount above the nominal value received for issued share capital, less transaction costs.

Share options reserve

This reserve represents the accumulated fair value of share options and warrants granted by the company, less accumulated group recharge of share-based payment expense.

Retained earnings

Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

NATIONAL INSTRUMENTS CORPORATION (UK) LIMITED

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

18. Share-based payments

The company's ultimate parent company operates a number of share-based compensation plans, where benefits are granted to employees of various subsidiaries of the Corporation. The schemes in operation in the year included Restricted Stock plans and Employee Stock Purchase Plans, whereby employees of the company received benefits relates to the acquisition of shares in National Instruments Corporation.

The expense recognised for services received during the year is shown in the following table:

	2022 £	2021 £
Restricted stock expense	684,064	677,586
Employee stock purchase plan	66,875	98,379
Total share-based payment expense	<u>750,939</u>	<u>775,965</u>

Restricted stock plan

Under this plan, incentive awards in the form of restricted stock units ("RSU's") may be granted to certain employees. Awards vest annually, on a straight line basis, over a four, five or ten-year period, beginning on the date of grant. Awards are conditional on the employee remaining in service for the vesting period. Unvested awards are lost if the employee leaves the company.

Employee stock purchase plan

The company's ultimate parent company operates a share purchase scheme whereby, employees of the Corporation and designated subsidiaries are permitted to acquire common stock of the Corporation at a purchase price of 85% of the lower of the market price at the beginning or the end of the quarterly participation period. Employees may designate up to 15% of their compensation for the purchase of stock under the Employee Stock Purchase Plan.

19. Pension commitments

The company makes contributions to the personal pension schemes of certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £360,300 (2021: £287,060). Contributions payable to the fund at the year end amounted to £69,507 (2021: £nil) and are included in other creditors.

NATIONAL INSTRUMENTS CORPORATION (UK) LIMITED

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

20. Commitments under operating leases

At 31 December 2022 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Equipment		
Not later than 1 year	3,788	5,848
Later than 1 year and not later than 5 years	6,630	11,365
	<u>10,418</u>	<u>17,213</u>

21. Related party transactions

National Instruments Corporation (UK) Limited is wholly owned within the National Instruments Corporation group of companies.

The company has taken advantage of the exemptions provided by Section 33 of FRS 102 "Related Party Disclosures" and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

22. Post balance sheet events

On 11 October 2023, Emerson Electric Co. completed its acquisition of the group headed by National Instruments Corporation. Emerson Electric Co. is a global technology and software company providing innovative solutions for the world's essential industries. National Instruments Corporation will become a new reported segment within Emerson Electric Co. called Test & Measurement and will be consolidated into the Software and Control group.

23. Controlling party

At the year end the immediate and ultimate parent undertaking and the ultimate controlling party of National Instruments Corporation (UK) Limited is National Instruments Corporation, a company incorporated in the United States of America. Copies of the parent company's consolidated financial statements may be obtained from 11500 North MoPac Expressway, Austin, Texas 78759-3504, United States.

See note 22 for information on changes to the controlling party from 11 October 2023.

24. Approval of the financial statements

The Board of Directors approved and authorized for issue these financial statements on ~~20~~ 20 December 2023.