

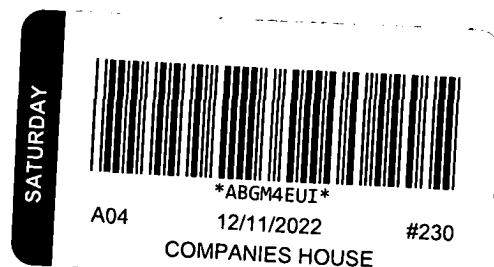
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**Schneider Electric IT Manufacturing UK Limited**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**



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## Schneider Electric IT Manufacturing UK Limited

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### COMPANY INFORMATION

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<b>Directors</b>	M G Gulwell T Lambeth (resigned 31 March 2022) M J Ricci A Sage (appointed 15 February 2022)
<b>Company secretary</b>	Invensys Secretaries Limited
<b>Registered number</b>	04790504
<b>Registered office</b>	Stafford Park 5 Telford England TF3 3BL
<b>Independent auditors</b>	Mazars Chartered Accountants and Statutory Audit Firm Mayoralty House Flood Street Galway * Ireland H91 P8PR
<b>Bankers</b>	Barclays Bank Leicester Leicestershire LE87 2BB
<b>Solicitors</b>	Pinsent Masons LLP 1 Park Row Leeds LS1 5AB

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**Schneider Electric IT Manufacturing UK Limited**

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**Schneider Electric IT Manufacturing UK Limited**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Principal activity**

The principal activity of the Company in the year was the design and manufacture of technical furniture.

**Business review**

The directors are satisfied with the financial performance and position of the Company during the year and expect this to continue in the foreseeable future.

Turnover increased by 22.9% in 2021, and the gross margin increased to 37.9% from 24.9%.

The directors continue to review the COVID-19 situation closely with a view to conducting the Company's business activities in compliance with relevant Government regulations and guidelines

**Principal risks and uncertainties**

The principal risks and uncertainties faced by the Company include the dependence on the Schneider Electric Group ensuring that there is an adequate pipeline of products, to replace products reaching the end of their lifecycle. No other specific operational risks have been identified.

The structure of the Company is ready to react to opportunities as soon as they appear on the market.

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

**A Sage**  
Director

DocuSigned by:  
*Antoine Sage*  
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Date: 2 November 2022

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors present their report and the financial statements for the year ended 31 December 2021.

**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.

**Results and dividends**

The profit for the year, after taxation, amounted to £130,076 (2020 - £57,915).

A dividend of £50,000 was paid during the year (2020: £136,000).

The income statement and statement of other comprehensive income, statement of financial position and statement of changes in equity for the year ended 31 December 2021 are set out on pages 8, 9 and 10 respectively. The profit for the year before taxation amounted to £125,987 compared with a profit of £60,304 in the previous year. Total equity funds at 31 December 2021 amounted to £682,387 (2020: £602,311).

**Directors and their interests**

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

M G Gulwell  
T Lambeth (resigned 31 March 2022)  
M J Ricci  
A Sage (appointed 15 February 2022)

The directors had no interests in the share capital of the Company

**Secretary**

Invensys Secretaries Limited

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**Schneider Electric IT Manufacturing UK Limited**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Future developments**

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

See post balance sheet events paragraph below.

**Going concern**

In September 2022, a decision was made by Schneider Electric group to close the company's manufacturing site in Frome and cease its operations from 31 December 2022. The closure is a result of regular drops in sales volume and the ability to consolidate the company's offering in another group location. It is expected that the wind up of the company will be completed in 2023.

The directors have considered the aforesaid and, as such, the financial statements have been prepared on an other than going concern basis.

**Directors' indemnity**

The Company has in place appropriate indemnity insurance for its directors and officers.

**Disclosure of information to auditors**

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 auditors are 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 auditors are aware of that information.

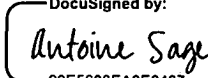
**Post balance sheet events**

Subsequent to the year end, in September 2022, a decision was made by Schneider Electric group to close the company's manufacturing site in Frome and cease its operations from 31 December 2022. This is a non-adjusting post balance sheet event as the decision was made and the employees were notified of the closure subsequent to the year end. It is expected that the wind up of the company will be completed in 2023.

**Auditors**

The auditors, Mazars, 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.

DocuSigned by:  
  
99E5608EA8E0407...

**A Sage**  
Director

Date: 2 November 2022

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCHNEIDER ELECTRIC IT  
MANUFACTURING UK LIMITED**

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**Independent auditor's report to the members of Schneider Electric IT Manufacturing UK Limited**

**Opinion**

We have audited the financial statements of Schneider Electric IT Manufacturing UK Limited (the "company") for the year ended 31 December 2021 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 2021 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.

**Emphasis of matter-basis of preparation**

We draw attention to note 2.2 of the financial statements, which explains the directors intention to cease operations from 31 December 2022 and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in note 2.2.

**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.

In connection with our audit of the financial statements, 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCHNEIDER ELECTRIC IT  
MANUFACTURING UK LIMITED**

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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 2, 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 the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to employment regulation, health and safety regulation, anti-money laundering regulation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCHNEIDER ELECTRIC IT  
MANUFACTURING UK LIMITED**

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preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of 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, in particular in relation revenue recognition, which we pinpointed with the cut-off assertion and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our 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.

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.

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.

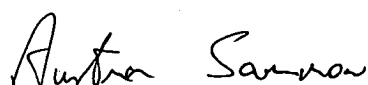
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCHNEIDER ELECTRIC IT  
MANUFACTURING UK LIMITED**

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**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.



Austin Sammon (Senior Statutory Auditor)

for and on behalf of

**Mazars**

Chartered Accountants and Statutory Audit Firm

Mayoralty House

Flood Street

Galway

Ireland

H91 P8PR

Date: 02 November 2022

**Schneider Electric IT Manufacturing UK Limited**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	3	1,364,092	1,109,515
Cost of sales		(845,962)	(833,134)
<b>Gross profit</b>		<b>518,130</b>	<b>276,381</b>
Distribution costs		(19,032)	(13,796)
Administrative expenses		(362,841)	(157,878)
<b>Operating profit</b>	4	<b>136,257</b>	<b>104,707</b>
Restructuring costs		-	(43,680)
Interest receivable and similar income		162	500
Interest payable and similar expenses		(10,432)	(1,223)
<b>Profit before tax</b>		<b>125,987</b>	<b>60,304</b>
Tax on profit	9	4,089	(2,389)
<b>Profit for the financial year</b>		<b>130,076</b>	<b>57,915</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>130,076</b>	<b>57,915</b>

The notes on pages 11 to 25 form part of these financial statements.

**Schneider Electric IT Manufacturing UK Limited**  
**REGISTERED NUMBER: 04790504**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible fixed assets	11	255,637	232,195
		<u>255,637</u>	<u>232,195</u>
<b>Current assets</b>			
Stocks	12	252,235	159,762
Debtors: amounts falling due within one year	13	739,811	391,730
		<u>992,046</u>	<u>551,492</u>
Creditors: amounts falling due within one year	14	(384,277)	(177,287)
<b>Net current assets</b>		<u>607,769</u>	<u>374,205</u>
<b>Total assets less current liabilities</b>		<u>863,406</u>	<u>606,400</u>
Creditors: amounts falling due after more than one year	15	(181,019)	-
		<u>682,387</u>	<u>606,400</u>
<b>Provisions for liabilities</b>			
Deferred tax	16	-	(4,089)
		<u>-</u>	<u>(4,089)</u>
<b>Net assets</b>		<u><u>682,387</u></u>	<u><u>602,311</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	3,201	3,201
Share premium account		535,284	535,284
Profit and loss account		143,902	63,826
		<u>682,387</u>	<u>602,311</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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

**A Sage**  
 Director

DocuSigned by:

*Antoine Sage*  
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Date: 2 November 2022

The notes on pages 11 to 25 form part of these financial statements.

**Schneider Electric IT Manufacturing UK Limited**

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021	3,201	535,284	63,826	602,311
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	130,076	130,076
<b>Total comprehensive income for the year</b>	-	-	130,076	130,076
Dividends: Equity capital	-	-	(50,000)	(50,000)
<b>Total transactions with owners</b>	-	-	(50,000)	(50,000)
<b>At 31 December 2021</b>	<b>3,201</b>	<b>535,284</b>	<b>143,902</b>	<b>682,387</b>

The notes on pages 11 to 25 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020	3,201	535,284	141,911	680,396
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	57,915	57,915
<b>Total comprehensive income for the year</b>	-	-	57,915	57,915
Dividends: Equity capital	-	-	(136,000)	(136,000)
<b>Total transactions with owners</b>	-	-	(136,000)	(136,000)
<b>At 31 December 2020</b>	<b>3,201</b>	<b>535,284</b>	<b>63,826</b>	<b>602,311</b>

The notes on pages 11 to 25 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1. General information**

The financial statements of Schneider Electric IT Manufacturing UK Limited (the "Company") for the year ended 31 December 2021 were authorised for issue by the board of directors on 2022 and the statement of financial position was signed on the board's behalf by Antoine Sage. Schneider Electric IT Manufacturing 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 pound except when otherwise indicated.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Companies Act 2006 and with Financial Reporting Standard 101 'Reduced Disclosure Framework' and with the historical convention except as modified for certain items to be shown at their realisable amounts as the financial statements are prepared on an other than going concern basis.

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.

Management consider there to be no key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements.

The results of Schneider Electric IT Manufacturing 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 21.

The following principal accounting policies have been applied:

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

**2.2 Going concern**

In September 2022, a decision was made by Schneider Electric group to close the company's manufacturing site in Frome and cease its operations from 31 December 2022. The closure is a result of regular drops in sales volume and the ability to consolidate the company's offering in another group location. It is expected that the wind up of the company will be completed in 2023.

The directors have considered the aforesaid and, as such, the financial statements have been prepared on an other than going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. Accounting policies (continued)**

**2.3 New and revised IFRSs**

The adoption of the following mentioned standards, amendments and interpretations in the current year have had no material impact on the Company's financial statements.

<b>UK-adopted and EU-endorsed</b>	<b>Effective date- periods beginning on or after</b>
IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases (Amendments): Interest Rate Benchmark Reform – Phase 2	1 January 2021
IFRS 4 Insurance Contracts (Amendment): Extension of the Temporary exemption from Applying IFRS 9	1 January 2021
IFRS 16 Leases (Amendment): Covid-19-related Rent Concessions Beyond 30 June 2021	1 April 2021

**2.4 Financial Reporting Standard 101 - reduced disclosure exemptions**

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets
- the requirements of IFRS 9 Financial Instruments: disclosures.

This information is included in the consolidated financial statements of Schneider Electric SE as at 31 December 2021 and these financial statements may be obtained from 35, Rue Joseph Monier, F-92500 RUEIL MALMAISON, France.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.5 Measurements and recognition of leases**

**Rental obligation**

At the inception date of the lease, the Company recognises the lease liabilities, measured at the present value of the lease payments to be made over the term of the lease. The present value of payments is calculated mainly using the marginal borrowing rate at the contract starting date. Rental payments include fixed payments (net of rental incentives receivable), variable payments based on an index or rate and amounts that should be paid under residual value guarantees. Besides, the simplification allowing not to split services components has not been elected by the Company. Therefore, only the rents are taken into account in the lease payments. Lease payments also include, when applicable, the exercise price of a purchase option reasonably certain to be exercised by the Company and the payment of penalties for the termination of a lease, if the term of the lease takes into account the fact that the Company has exercised the termination option. Variable lease payments that are not dependent on an index or rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs. After the start date of the contract, the amount of rental obligations is increased to reflect the increase in interest and reduced for lease payments made. In addition, the carrying amount of the lease liabilities is revalued in the event of a reassessment or modification in the lease (e.g. change in the term of the lease, change in lease payments, application of annual indexation, etc.).

**Right-of-use assets**

The Company accounts for the assets related to the right-of-use on the start date of the lease (i.e. the date on which the underlying asset is available). Assets are measured at cost, less accumulated amortization and impairment losses, and adjusted for the revaluation of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities, initial direct costs incurred and lease payments made on or before the effective date, minus lease inducements received. Unless the Company is reasonably certain that it will become the owner of the leased asset at the end of the lease term, the recorded right-of-use assets are depreciated using the linear method over the shortest period of time between estimated life of the underlying asset and the duration of the lease. The assets related to the right-of-use are subject to depreciation.

**Determining the duration of contracts**

The land and buildings contracts have durations of 5 years. In certain geographies, the Company's land and buildings contracts offer unilateral options for termination of contracts in break clauses. Thus, in determining the length of time to be used to calculate the rental obligation, the Company determines the enforceable duration of the contract (maximum term) and takes into account break clause options if they are not reasonably certain that they will extend the contract beyond the option date. This estimate is made in collaboration with the Company's Property Department, which determines the land and buildings strategy. In the majority of cases, the duration chosen is the enforceable duration of the land and buildings contracts. In addition, the Company also holds tacit renewal contracts that are not enforceable (the taker and the lessor may break the contracts by respecting a notice of less than one year). These contracts are exempted under the short-term criteria as they are non-binding beyond the notice period.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.6 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.

**2.7 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised on the satisfaction of performance obligations, such as the transfer of a promised good, identified in the contract between the Company and the customer.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

**2.8 Interest income**

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

**2.9 Borrowing costs**

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

**2.10 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.11 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**2.12 Current and deferred taxation**

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

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

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.

The carrying amount of deferred income tax assets is reviewed at each year-end date.

**2.13 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.

**NOTES TO THE FINANCIAL STATEMENTS  
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**2. Accounting policies (continued)**

**2.13 Tangible fixed assets (continued)**

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:

Short-term leasehold property	- 14% (depreciated over period of lease)
Plant and machinery	- 10-20%
Leasehold improvements	- 10%

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 profit or loss.

**2.14 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.15 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.

**2.16 Cash and cash equivalents**

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

**2.17 Creditors**

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.18 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

**2.19 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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. Accounting policies (continued)**

**2.19 Financial instruments (continued)**

of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

**At amortised cost**

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

**2.20 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.

**2.21 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**3. Turnover**

	2021 £	2020 £
Technical Furniture	1,364,092	1,109,515
	<u>1,364,092</u>	<u>1,109,515</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	194,643	43,510
Sales- Other EU	787,514	696,763
North America	381,881	364,749
Asia	54	4,493
	<u>1,364,092</u>	<u>1,109,515</u>

**Schneider Electric IT Manufacturing UK Limited**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**4. Operating profit**

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

	2021 £	2020 £
Depreciation of tangible fixed assets	27,677	27,676
Depreciation of right of use asset	53,294	52,560
Exchange differences	(1,588)	(1,644)
Defined contribution pension cost	18,206	18,690
	<u>18,206</u>	<u>18,690</u>

**5. Auditors' remuneration**

The Company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

	2021 £	2020 £
Fees for the audit of the Company	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

**6. Employees**

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	305,474	370,084
Social security costs	27,034	31,284
Cost of defined contribution scheme	18,206	18,690
	<u>350,714</u>	<u>420,058</u>

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

	2021 No.	2020 No.
Commercial and Administration	4	4
Engineering and Technical	6	6
	<u>10</u>	<u>10</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**7. Directors' remuneration**

During the year retirement benefits were accruing to no directors (2020 - Nil) in respect of defined contribution pension schemes.

The directors of the Company for 2021 were paid by other group undertakings.

**8. Restructuring costs**

	2021 £	2020 £
Restructuring costs	-	43,680
	<u>-</u>	<u>43,680</u>

Restructuring costs were in relation to redundancies of £Nil (2020:£43,680). There is no associated provision at year end or at the end of the prior year.

**9. Taxation**

	2021 £	2020 £
<b>Total current tax</b>	<u>-</u>	<u>-</u>
<b>Deferred tax</b>		
Deferred tax - current year	(4,089)	2,445
Deferred tax - prior year	-	(56)
<b>Total deferred tax</b>	<u>(4,089)</u>	<u>2,389</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(4,089)</u>	<u>2,389</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**9. Taxation (continued)**

**Factors affecting tax credit for the year**

The tax assessed for the year is at the standard rate of corporation tax in the UK of 19.00% (2020 - 19.00%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>125,987</u>	<u>60,304</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2020 - 19.00%)	23,938	11,458
<b>Effects of:</b>		
Expenses not deductible for tax purposes	-	595
Change in tax rates	-	193
Deferred tax prior period adjustment	25,254	(57)
Group relief	(53,281)	(9,800)
<b>Total tax charge for the year</b>	<u><u>(4,089)</u></u>	<u><u>2,389</u></u>

**10. Dividends**

	2021 £	2020 £
Dividends paid on equity capital	50,000	136,000
	<u><u>50,000</u></u>	<u><u>136,000</u></u>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

11. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Leasehold improvements £	Total £
<b>Cost or valuation</b>				
At 1 January 2021	122,639	320,064	18,971	461,674
Additions	263,032	-	-	263,032
Disposals	(122,639)	-	-	(122,639)
Impairment	-	(155,811)	(3,514)	(159,325)
At 31 December 2021	263,032	164,253	15,457	442,742
<b>Depreciation</b>				
At 1 January 2021	105,120	114,422	9,937	229,479
Charge for the year on owned assets	53,294	24,966	2,710	80,970
Disposals	(123,344)	-	-	(123,344)
At 31 December 2021	35,070	139,388	12,647	187,105
<b>Net book value</b>				
At 31 December 2021	227,962	24,865	2,810	255,637
At 31 December 2020	17,519	205,642	9,034	232,195

The net book value of owned and leased assets included as "Tangible fixed assets" in the Statement of Financial Position is as follows:

	2021 £
Tangible fixed assets owned	27,675
Right-of-use tangible fixed assets	227,962
	<u>255,637</u>

**Schneider Electric IT Manufacturing UK Limited**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**11. Tangible fixed assets (continued)**

Information about right-of-use assets is summarised below:

	<b>Land and buildings £</b>
Net book value at 1 January 2021	17,519
Additions	263,032
Disposals	(122,639)
Depreciation charge	70,050
<b>Net book value at 31 December 2021</b>	<b>227,962</b>

**12. Stocks**

	<b>2021 £</b>	<b>2020 £</b>
Raw materials and consumables	220,146	136,126
Finished goods and goods for resale	32,089	23,636
	<b>252,235</b>	<b>159,762</b>

The replacement cost of stock did not differ significantly from the figures shown. Stocks are stated after provisions for impairment of £38,502 (2020: £13,014).

**13. Debtors**

	<b>2021 £</b>	<b>2020 £</b>
Amounts owed by group undertakings	590,382	352,101
Other debtors	110,947	16,468
Prepayments and accrued income	38,482	23,161
	<b>739,811</b>	<b>391,730</b>

Amounts owed by group undertakings are interest free and repayable on demand (2020: interest free and repayable on demand).

**Schneider Electric IT Manufacturing UK Limited**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

	2021 £	2020 £
Trade creditors	77,660	44,057
Amounts owed to group undertakings	58,345	36,461
Other taxation and social security	856	856
Lease liabilities	49,120	3,414
Other creditors	198,296	92,499
	<u>384,277</u>	<u>177,287</u>

Amounts owed to group undertakings are interest free and repayable on demand (2020: interest free and repayable on demand).

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

	2021 £	2020 £
Lease liabilities	181,019	-
	<u>181,019</u>	<u>-</u>

**16. Deferred taxation**

	2021 £	2020 £
Deferred tax - brought forward	(4,089)	(1,700)
Deferred tax	4,089	(2,389)
<b>At end of the year</b>	<u>-</u>	<u>(4,089)</u>
	2021 £	2020 £
Accelerated capital allowances	-	(4,089)
	<u>-</u>	<u>(4,089)</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**17. Share capital**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
312,640 (2020 - 312,640) Ordinary A Class shares of £0.01 each	3,126	3,126
7,500 (2020 - 7,500) Ordinary B Class shares of £0.01 each	75	75
	<u>3,201</u>	<u>3,201</u>

**18. Pension commitments**

The Company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in independently administered funds. The contributions payable are charged to the profit and loss account. The pension costs represent contributions payable to the scheme and amounted to £18,206 (2020 - £18,690) . Contributions amounting to £nil (2020 - £nil) were payable to the scheme at the year end.

**19. Related party transactions**

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

**20. Post balance sheet events**

Subsequent to the year end, in September 2022, a decision was made by Schneider Electric group to close the company's manufacturing site in Frome and cease its operations from 31 December 2022. This is a non-adjusting post balance sheet event as the decision was made and the employees were notified of the closure subsequent to the year end. It is expected that the wind up of the company will be completed in 2023.

**21. Controlling party**

The immediate parent undertaking of Schneider Electric IT Manufacturing UK Limited is Schneider Electric IT UK Limited, a company registered in England and Wales.

The smallest and largest group in which the financial statements of the Company are consolidated is that headed by the ultimate parent undertaking and ultimate controlling party, Schneider Electric SE, a company incorporated in France. Copies of the accounts of Schneider Electric SE can be obtained from Schneider Electric SE, 35, Rue Joseph Monier, F-92500 RUEIL MALMAISON, France and online at <http://www.schneider-electric.com/en/about-us/investor-relations/>.

**22. Board approval**

These financial statements were authorised for issue by the Board on 2 November 2022.